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The Daily Star BUSINESS

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HYUNDAI

CARS THAT MAKE SENSE

Biswas to people Make best use of electricity in agriculture

President Abdur Rahman Biswas said the people should make the best use of electricity in boosting agricultural production, reports UNB.

President Biswas was talking to a delegation of local elite of Hayatpur, Barisal, when they called on him at Bangabhaban yesterday.

The concept of development has been revolutionised in the rural areas with the availability of electricity, Biswas observed.

The members of the delegation requested the President to take positive step in constructing a cyclone shelter centre in their area. He said that he would advise the authorities concerned to look into the matter.

FBCCI trade team off to Assam, Meghalaya

A 26-member high-powered investment and trade delegation led by Salman F Rahman, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) left Dhaka yesterday for Assam and Meghalaya on a five day visit, says a press release.

This is the first formal initiative of FBCCI to establish direct trade contacts with the north eastern states of India for promotion of trade and investment.

The team will also try to identify newer products for export and import and explore the potential joint venture investments in Bangladesh.

The delegation will call on the chief ministers of Assam and Meghalaya and will also meet with the secretaries of the ministries of planning, industries, finance, power, border trade, mining and geology, agriculture, tourism, political and forest.

The delegation includes leading members from different chambers and trade associations of Bangladesh.

Iran delays approval of trade accord with Jordan

TEHRAN, Sept 9: The Iranian parliament yesterday delayed approval of a trade agreement with Jordan for six months because of King Hussein's support for the Middle East peace process, reports AFP.

"We will not vote on this legislation because Jordan, in the person of the King, has betrayed the Palestinian cause through capitulation to the criminal regime of (Israeli) premier Benjamin Netanyahu," said MP Ali Movahedi-Savaji.

"We cannot establish trade relations with a government that serves the interests of Israel, an enemy of the Muslim community and Islam," added another Iranian MP.

Faced with a hostile majority, several members of parliament asked that the agreement be put aside for six months "to allow the government to give it some more consideration and see if the situation has changed by then."

Relations between Iran and Jordan have been strained since the 1979 Islamic revolution, notably because of Jordan's support for neighbouring Iraq during the 1980-88 Gulf War and its participation in the Middle East peace process.

Economic growth slows in Malaysia

KUALA LUMPUR, Sept 9: Malaysia's robust economy grew by a slower annual rate of 8.4 per cent in the second quarter to June compared with 9.6 per cent in the same period a year earlier, the central banks said yesterday, reports AFP.

The gross domestic product growth rate was however marginally higher than the 8.3 per cent rise in the first quarter of the year, the central bank Negara said in its latest economic quarterly bulletin.

The growth momentum was sustained by a broad-based expansion in all major sectors, in particular the strong turnaround in agriculture yield, it added.

Inflation edged upward to 3.7 per cent in the second quarter from 3.4 per cent in March, mainly due to higher prices for basic goods, the bank said.

The trade balance for the period improved to a \$58.8 million surplus (223.5 million dollar) surplus from a deficit of 1.4 billion ringgit (\$60 million dollars) last quarter.

The trade surplus, the first since the third quarter of 1993, reflected the marginal decline in imports by 0.6 per cent while exports grew by nine per cent, Bank Negara said.

Following tighter monetary policy in the second quarter to rein in excess demand and inflationary pressure, year-on-year broad M3 money supply grew at a slower pace of 22.9 per cent, it added.

British companies keen to invest in Bangladesh

By Staff Correspondent

David J Burton, Export Promoter of the Department of Trade and Industry (DTI) of UK said that there was a growing interest by British companies to invest in Bangladesh.

British firms, he said, were keen to bring their expertise to Bangladesh in such sectors as power generation, construction equipment, transport machinery and cargo handling equipment.

"Bangladesh is now seen by British companies as an important market", he pointed out.

Burton, a private sector business executive who has been appointed by his government's Department of Trade and Industry to look after export promotion in Bangladesh and Sri Lanka, was talking to newsmen at the residence of the

Acting British High Commissioner on Saturday.

He informed that he would be frequently visiting Bangladesh and inter-acting with the local trade and industrial community here in an endeavour to increase the level of British investment.

About 100 British business leaders are working on deputations with the DTI to help promote overseas trade. They are carrying with them their work experience in major UK companies for trade expansion.

Burton said Britain was interested in developing infrastructural facilities at Chittagong Port.

The British Export Promoter said UK companies could assist in the whole range of power sector in Bangladesh including its

generation, transmission and distribution.

In this connection he mentioned Cairn Energy which is involved in a large way in gas and oil exploration. He also informed that another British company Midland Power was also negotiating with the government.

Asked about the high price of British machinery, he replied that the actual reality was that high production standard of UK goods "gave more value per annum."

Meanwhile, a 10 member British trade delegation is likely to arrive in the capital on October 5.

The visit of the delegation aims at exploring further business prospects in Bangladesh.



Acting High Commissioner of the British High Commission in Bangladesh, Miss M. Macintosh, and UK Export Promoter at the Department of Trade & Industry David J. Burton, called on Ali Hossain (Hasan), President of Dhaka Chamber of Commerce & Industry at the DCCI office in the city on Sunday. They discussed various issues relating to bilateral trade.

Ban on cellular phone use in Karachi to go

ISLAMABAD, Sept 9: The Pakistan government is to lift a ban, on the use of cellular telephones in the country's commercial capital within four months, Commerce Minister Chaudhry Ahmed Mukhtar said Sunday, reports AFP.

Karachi's mobile telephones and the pager service system were abruptly shut down in July last year when the security forces launched a crackdown on the ethnic-based Mohajir Qaumi Movement (MQM) in the trouble-torn city.

Police had said the ban was necessary to curb the activities of "terrorists" who they said were using mobile telephones to target security agencies.

The move affected thousands of Karachi clients — including businessmen and professional people — of the three cellular

phone companies which have been operating in Pakistan for the past few years.

The official Associated Press of Pakistan (APP) news agency quoted Mukhtar as telling reporters in the eastern city of Lahore that the ban would be gradually lifted by the end of the current year.

In the first phase, officials of multinational companies would be exempted from the restrictions, he said, adding that later on major industrialists and traders would also be allowed to use the services.

The ban is being withdrawn as the southern port city is returning to normality and the law and order situation is almost under control, he said.

Some 2,100 people have died in Karachi, trouble by ethnic, political and sectarian violence, since January 1995.

Major S. Korean business groups laying off staff

SEOUL, Sept 9: South Korea's major business groups are laying off staff to reduce production costs, blaming high wages for eroding their competitive edge abroad, reports AFP.

The cutbacks threatening to become the biggest since 1980, gained force last week when the government announced a freeze on next year's wage hikes for senior officials, including the president.

Thousands of company workers lost their jobs in 1980 after the country was hit by protracted political turbulence and an economic slowdown starting in 1979.

Last Friday, executives of the country's top 30 business groups resolved to carry out management reforms and staff cuts to tackle soaring costs, asking the government to tighten regulations on labour strikes.

The resolution was immediately supported by a federation of small business owners plagued by high wages which have risen around 14 per cent annually since 1987.

"The cutbacks are inevitable for our survival," said Cha Sung-Jin, an executive at Sunkuyong Industries Ltd. A textile giant, which slashed staff by 20 per cent this year through an early retirement programme.

The programme which has so far targeted managerial posts, will spread to low-ranking desk jobs and factory workers at other subsidiaries of the Sunkuyong group, Cha said.

"Early retirement was the best option to avoid trouble," he said.

Some business groups like the country's leading Samsung business group favoured early retirement with attractive packages amounting up to 247,000 dollars.

But many other groups called for stricter methods —

wage freezes unilateral layoff and the transfer of administrative staff to production lines — triggering protests from their unions.

This may lead to enormous labour trouble, maybe the biggest since the early 1980s, said a researcher for the Federation of Korean Industries, a powerful club of conglomerates.

The Kolon group also targeted managers, asking them to put their bonuses into a corporate fund to plough moneyback into the company and transferring about 30 per cent of administration staff to production lines.

The business groups held "excessive" union demands responsible for their poor output, high production costs and inefficiency.

But union leaders responded by contending that South Korean goods could restore their competitive edge not through layoffs but through investment in research and development.

"We know wages here are higher than those in rival countries, but our working conditions and welfare are still poor," said a spokesman for the Federation of Democratic Trade Unions.

The militant federation has played a key role in double-digit wage hikes in the past 10 years.

If labour strikes remain unchecked, many South Korean firms will actively relocate their plants overseas for cheap labour, warned the Federation of Korean Industries.

Business groups have yet to disclose details on their cutback plans, but the government appeared to be on their side.

In order to help curb wage hikes, the government has decided to set an example, "economic and Finance Minister Han Seung-soo said last week in announcing a civil servant wage freeze."

World's first herbal fuel!

MADRAS, India, Sept 9: India's top scientists have been drafted in to try and make sense of a baffling invention claimed to be the world's first "herbal fuel," a government official confirmed, reports AFP.

V Ramamurthy, Secretary at the Department of Science and Technology, said the country's top scientific brains would be asked to try and decipher the chemical process behind the claims.

Ramamurthy said he was convinced by Ramar Pillai, a villager from the southern state of Tamil Nadu who says he can produce fuel from herb leaves and water, had made a major discovery and added that Indian Prime Minister HD Deve Gowda had been briefed.

"I am personally convinced it is a discovery worth pursuing," he said explaining he had been shown a demonstration of the invention staged by the Indian Institute of Technology (IIT) here.

Pillai, reportedly a school drop-out, claims he came across the herb seven years ago and has since perfected the art of producing a petrol-like fuel by boiling it with water, salt citric acid and certain chemicals.

IIT Professor V Ganesan, who works in the internal combustion engines department, said: "It baffled us how he was able to produce hydrocarbons from water. It defied science as we know it from the textbooks."

He said the fuel had been tested on a two-stroke engine. "We were shocked to find two mixtures, one fermented and the other one freshly made, both performed better than petrol."

He added that the invention had undergone laboratory tests last June and he had asked Pillai to come to his home to repeat the demonstration, where the experimenter had worked again using tap water.

Ganesan added: "I kept that fuel for over a year and tested it a couple of days ago. I found it had not lost on hydrocarbons."

Ramamurthy added: "We have no doubt that we are sitting on something very big, but we must proceed carefully and systematically."

Taiwan's gold import down, export up

TAIPEI, Sept 9: Taiwan's gold imports declined in the first eight months of the year to 68,761 kilograms (151,274 pounds), although exports rose, compared with the same period the year before, the finance ministry said yesterday, reports AFP.

The ministry said total imports were valued at 863.24 million US dollars in the January-August period, with total weight down 11,408 kilograms.

Exports increased 1,239 kilograms to 2,260 kilograms worth 24.8 million US dollars in this period, it said.

BA likely to fire 10000

LONDON, Sept 9: British Airways is contemplating shedding 10,000 jobs in a plan to save money and concentrate its transport activities, the independent newspaper reported Monday.

The plan called "step change" aims to save one billion pounds (1.55 billion dollars) from now to 2000 and to increase profit by the same amount over the same period, the report said.

In 1995, BA which currently employs more than 40,000 workers in Britain, made a profit of 585 million pounds (900 million dollars).

According to the plan, BA would gradually concentrate its activity on air transport and would get rid of its other operations. In four years, BA would only look after passenger transport and contact with the customers, the independent said.

The paper said BA was thought to favour voluntary redundancies wherever possible rather than sackings. Details of the plan will be presented to the unions on September 18.

"At this stage, we have reached no conclusion on step change and none at all on how many jobs will be affected," the paper quoted a BA spokesman as saying.

"We are still exploring options that are available to us," he said.

US gives Lanka \$10m loan

COLOMBO, Sept 9: The US government today gave a 10 million dollar long-term loan to Sri Lanka to import 28,000 tonnes of rice this year, officials here said, reports AFP.

Sri Lanka will have 30 years to repay with a five year grace period, officials said, adding that the loan will carry an interest rate of three per cent in the first seven years and four per cent thereafter.

With the latest loan, the US food aid to Sri Lanka this year will reach 20 million dollars, officials said.

Sub-regional workshop on TVET begins

A 12-day sub-regional entrepreneurship training for rural development through technical vocational education began here yesterday, reports UNB.

Ten foreign participants from Iran, Myanmar, Nepal, Sri Lanka and Pakistan besides local ones are attending the course titled "Entrepreneurship training for Rural Development Through TVET (Technical Vocational Education for Technicians)".

Education Minister ASHK Sadique inaugurated the course as chief guest at the Technical Education Board auditorium.

The course has been jointly organised by Colombo Plan Staff College for Technical Education (CPSE) and the government of Bangladesh. Its main purpose is to motivate and train a core group of trainers of TVET systems in the basic concepts

and principles as well as the tools and techniques of entrepreneurship development as related to rural development.

The Education Minister said the present government would introduce all possible measures in the proposed education policy to alleviate rural poverty.

He said the government had given priority to alleviation of rural poverty by taking positive steps. Rural socio-economic condition of the country could be developed through appropriate technical education, he said.

The opening session of the course was also addressed, among others, by Education Secretary Abdullah Haroon Pasha, Director General of Technical Education Department M Abdur Rafique, CPSC Dr CK Basu and Chairman of the Technical Education Board Mohammad Rezaul Karim.

Best self-employment projects to be rewarded

Outstanding self-employment projects will be rewarded from now on and the government will honour those who become successful in implementing innovative projects, reports BBS.

The State Minister for Youth and Sports and Cultural Affairs Obaidul Quader said this while addressing the trainees of a three-month long animal husbandry course in the youth training centre here yesterday.

The state minister said the government has laid utmost emphasis on the development of youth, the driving force of the society and that is why budget allocation for the development of youth has been raised three times more in the current fiscal year than that of the previous year. The tremendous potentiality of the youth should fully be exploited, he asserted.

The State Minister reiterated

firm determination of the government to place the youth forces in the right track, saying "no more frustration, addition or terrorism you must work for you as well as for the country". He advised the authority to incorporate moral education in the curriculum of the training course.

In an open discussion, terming the present 18 per cent interest rate on the post training loan much higher as a project pay take more than six months to go on viable production, the trainees demanded more flexible loan with the interest rate not more than five per cent. The State Minister assured of active consideration of their demand.

The state minister called upon the trained youths to motivate and educate the common mass of their respective areas.



Shafat Ahmed Chaudhury, Chairman of Delta Brac Housing Finance Corporation Ltd, addressing a press conference on the occasion of launching the country's first private housing finance company, at a city hotel on Sunday. (From right) Faruq Ahmed Choudhury, Fazle H. Abed, Executive Director of BRAC, Abul Maal Abdul Muhith, Managing Director of the DBH, and Nasir Ahmed Choudhury, Managing Director of Green Delta, were also seen in the picture.

US policy on Iraq may face critical review from ASEAN

JAKARTA, Sept 9: The United States is likely to face a critical review of its policy on Iraq from South East Asian Nations at talks this week on Indonesia's Batam Island, diplomats said on Monday, reports Reuters.

The meeting, which was between the United States and the seven-member Association of South-East Asian Nations (ASEAN) follows a week after Washington launched missile attacks on Iraqi military targets to punish Baghdad for troop incursions into Kurdish-held regions in northern Iraq.

A US diplomat said the Iraqi conflict would be discussed at the two-day meeting but said he had no details. "All regional and international issues will be discussed, and Iraq will definitely be among them," he said.

ASEAN members Vietnam, Malaysia and Indonesia have criticised the US action in Iraq and other diplomats said their concerns would be aired at the meeting.

Also in focus will be Myanmar, which was granted observer status in ASEAN at a meeting of the group's foreign ministers in July in preparation for full membership.

The United States has expressed concern at Rangoon's human rights record and it has urged Myanmar to support the movement led by Nobel Peace Prize Laureate Aung San Suu Kyi.

At a meeting of ASEAN and its dialogue partners immediately following the foreign ministers' meeting, secretary of State Warren Christopher said the United States reserved the right of taking forceful action, including economic sanctions, to change Myanmar policies.

ASEAN, which also includes Singapore, Thailand, the Philippines and Brunei, has opposed sanctions against

Myanmar and has said it will keep its links with Yangon open in an effort to promote "constructive engagement."

ASEAN, since its inception in 1967, has been loath to criticise domestic policies of any nation in the region in keeping with the group's stand of non-interference in internal issues.

Dikomats said the positions of ASEAN and the United States on Myanmar remained apart and added that the Batam meeting would discuss the situation in detail.

ASEAN Secretary General Ajit Singh said the meeting would also focus on economic

links, trade, the environment and ASEAN's plans to reduce tariffs in the region.

The US delegation to the meeting will include a high-powered business team that will hold a parallel meeting with regional business leaders, he said.

ASEAN has held regular talks with the United States, one of its 18 dialogue partners, for 13 years.

The Batam meeting replaces a meeting scheduled for January on the island of Bali, which was postponed after blizzards in the United States prevented the delegation from arriving on time.

Implement oil-for-food deal, Iraq urges UN

BAGHDAD, Sept 9: Iraq urged the United Nations yesterday to implement their oil-for-food deal as soon as possible, while Iraqis in the streets of Baghdad cursed US President Bill Clinton for trying to delay the programme, reports Reuters.

Saadoun Hammadi, speaker of Iraq's parliament, the national assembly gave reporters a copy of a letter he sent to UN Secretary General Boutros Boutros-Ghali urging him to quickly implement the oil for food formula — to alleviate the suffering of more than 20 million Iraqis.

The Official Al-Qadisiya newspaper said Clinton's attempt to put off the deal proved that the United States was lying when it repeatedly said in the past that it was concerned for the suffering of Iraqi people.

Iraq is barred under sanctions imposed for its 1990 invasion of Kuwait from exporting oil. But under a separate deal

with the United Nations it was to buy food medicine and other humanitarian supplies worth about 1.13 billion US dollars out of two billion US dollars of limited oil exports over six months.

But after Iraqi forces attacked Kurdish rebels in northern Iraq on August 31, UN Secretary General Boutros Boutros-Ghali delayed implementing the deal last week for the safety of UN staff monitoring the flow of oil and distribution of supplies.

His decision boosted oil prices on world markets which had expected Iraqi oil to start flowing within weeks.

Clinton also said he wanted the plan put off.

"Until we are sure that these humanitarian supplies can get actually get to those who need them, the plan cannot go forward," Clinton said last Tuesday, noting that the fallen Kurdish city of Arbil was a key distribution point.

Digital system in Mymensingh

MYMENSINGH, Sept 9: The Mymensingh telephone exchange entered the digital system today, reports BBS.

According to telephone officials, all the 4000 telephones of the town under the analogue system have been converted to the digital system.

Under the new digital system all old telephone numbers will be pre-fixed by '5'.

Japan's current account surplus falls again

TOKYO, Sept 9: Japan's surplus in its current account, the broadest measure of trade, shrank 27 per cent in July from the same month a year ago to 568.2 billion yen (5.21 billion dollars), the Finance Ministry announced Monday, reports AP.

The ministry said the surplus in July was the smallest recorded for that month since 1990.

The surplus in Japan's current account, which measures not only trade in goods but also services, tourism and investment flows, has been declining steadily since December 1994 as imports continue to grow faster than exports.

Japan's deficit in service trade has also been growing, reflecting higher numbers of tourists going abroad and spending more money overseas.

The service deficit in July rose 35 per cent to 619.3 billion yen (5.68 billion dollars), marking the largest-ever one-month deficit.

Economists expect the surplus to continue shrinking, but not as quickly. One reason for the expected slow down has been the stabilization of the yen, which has settled into a range of about 105 yen to 110 yen to the dollar.

Suharto's son will have stake in \$1.5 b project

JAKARTA, Sept 9: Companies controlled by President Suharto's second son Bambang Trihatmodjo will have a stake in the 1.5 billion dollar Jakarta subway project, an officials said as quoted by reports here Monday, says AFP.

Head of the Government Secretariat in charge of the Subway project, Irsan Rifai said that two companies — Pt Krisnatara and Pt Investasi Kusuma Arta — controlled by Bambang and businessman Bambang Yoga Sugama, would finance the construction phase once the basic design part is completed.

Rifai, as quoted by the Jakarta Post daily, declined to divulge any figures for the construction phase, or when it would commence. The first stage of the project, officially known as the Mass Rapid Transport system (MRT) will link kota in north Jakarta with Blok m, nearly 13 kilometres away in the south. There are 15 stations planned.

The major investors in the MRT are Itochu corp of Japan and German Steel Manufacturer Ferrostaal AG representing the Japanese-European group.

Indonesian investors include PT Bakrie Investindo, PT Lippo, PT Bukaka, PT Steady Safe, PT Suthamthabie and the Jakarta City Government owned construction company PT Pembangunan Jaya.

\$2b scam Rogue Sumitomo trader surfaces

TOKYO, Sept 9: The Rogue Sumitomo trader accused last June of piling up billions of dollars in losses by hiding bad trades for more than a decade has surfaced after several months, reports AP.

Trader Yasuo Hamanaka dropped out of sight in June just before Sumitomo announced two billion dollars metals trading losses, throwing world copper markets into turmoil.

He has apparently returned to his modest home in Kawasaki, a suburb of Tokyo, a weekly magazine reported Monday.

The report included photographs of Hamanaka, 48, looking relaxed and confident, strolling from his home with a golf bag over his shoulder.

He politely declined to speak with the magazine's reporters, except to say he had no comment.

Both Hamanaka and his company are under criminal investigation in the United States, Great Britain and reportedly Japan, but so far have not been charged for any crimes.

Copper prices slid in June when Sumitomo, the leading player in the global copper business, announced that Hamanaka had admitted falsifying the company's books for 10 years to conceal trading losses.

The scandal was the latest in a series of cases involving traders falsifying records to conceal massive losses.

In 1995 Toshhide Iguchi, a former bond trader for Japan's Daiwa Bank Ltd, pleaded guilty to hiding 1.1 billion dollars in trading losses he accumulated over 12 years.