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HYUNDAI

CARS THAT MAKE SENSE

Talks on Turkey's food sale to Iraq begin

ANKARA, Dec 25: Senior Turkish and Iraqi officials today began talks here on Turkey's sales of food and medicine to Iraq under Baghdad's oil-for-food deal with the United Nations, reports AFP.

Talks between Iraq's visiting oil minister, Amir Mohammad Rashid, and Turkish counterparts are centered around Turkey's potential sales within the UN deal's framework. Foreign Ministry spokesman Omer Akbel told reporters.

Rashid, who met Turkish state minister for economic affairs, Ahmet Cemil Tunc, said Iraq also needs Turkey's support for an overall lifting of the UN embargo on Baghdad.

Under the oil-for-food deal which Baghdad agreed earlier this month, Iraq is allowed to sell two billion dollars worth of oil every six months under strict UN control to buy food and medicines for its sanctions-hit people.

The deal is the first easing of the tough sanctions imposed by the UN in the wake of Iraq's invasion of Kuwait in August 1990.

Turkey says the embargo has cost the country nearly 30 billion dollars because of a cut in trade with Iraq.

Ankara has already asked Iraq, its second biggest trading partner before 1990, to buy most of its food and medicine provisions from the Turkish market.

The Iraqi market particularly needs Turkish agricultural products and we can provide oil and natural gas, Rashid said Tuesday on his arrival in the Turkish capital.

BPC, Nitol join hands to launch luxury coach service next month

A joint venture luxury coach service will be introduced sometime next month to operate between some leading points, including Dhaka, Chittagong, Sylhet, Rajshahi and Khulna, to connect major tourist spots, reports UNB.

The new coach service will be run as a joint venture between state-owned Bangladesh Parjatan Corporation and privately-owned transport company Nitol Motors Limited which will make the entire financial investment.

Under an agreement signed between the two parties at the Parjatan head office here on Tuesday, the Corporation will

be in charge of sales promotion, ticketing and parking facilities. Parjatan Corporation Chairman Dr A K A Mubin said UNB that a total of 100 air-conditioned coaches will be procured at a cost of Taka 22 crore for the project by the private sector partner.

The Corporation, he said, will get a 10 per cent share of the sale proceeds for its services while Nitol Motors will have the remaining 90 per cent as the investor.

In the first phase, some 35 coaches will connect Dhaka with Sylhet and Mymensingh, Chittagong with Rangamati and

Cox's Bazar, and Rajshahi with Bogra, Rangpur, Dinajpur, Kushtia, Khulna, Benapole and Jessore.

The main objective of the joint venture, the first of its kind initiated by the national tourism organisation, is to encourage private entrepreneurs to invest in the tourism-related sectors. Besides, it is also intended to offer comfortable transport services for the local and foreign tourists.

Meanwhile, the Parjatan Corporation has taken steps to establish tourist facilities at Madhabkunda, the only water-

fall of the country, in greater Sylhet district.

The facilities at Madhabkunda will include a restaurant, one snack corner, three picnic sheds, observation bridge, car parking and separate changing closets for men and women.

The project, due for completion by June next, will be implemented at a cost of Tk 55 lakh from the Corporation's own fund.

At present, Bangladesh Parjatan Corporation offers regular guided package tours from Dhaka to greater Sylhet, including Madhabkunda, for the tourists.

Strong foreign, local demand boosts tea prices in Ctg

CHITTAGONG, Dec 25: There was a strong market of teas as both foreign and domestic buyers actively operated at the weekly tea sale held here on Tuesday, reports BSS.

According to market sources today, Poland, Pakistan, and Afghanistan operated more actively along with internal buyers pushing up the price of all grades of teas substantially.

Good liquoring types continued to be the strongest feature while dusts had also a strong market.

Bold brokers were again saw a much dearer market with prices advancing up to Tk 2/- and sometimes more with the progress of sale. Medium brokers were also dearer up to Tk 2/- and sometimes more.

Smaller brokers continued to be the strongest feature and advanced by up to Tk 2/- and more. Popular types were also at higher rates between Tk 52/- and Tk 56/20.

There was also a stronger market for all fannings at much dearer levels advancing by up to Tk 2/- and more. Good liquoring types were actively supported by much dearer levels. Popular types sold well at higher levels between Tk 52/- and 56/20.

A total of 3,158 chests, 901 gunny sacks of dust grades on offer met with a much stronger demand at dearer rates, better liquoring types were generally dearer by up to Tk 2/- and occasionally more following competition.

Others were also a dearer

market advancing by Tk 1/- to Tk 2/- following quality both loose tea buyers and blenders also lent a good support.

There were 25,421 chests and 250 gunny sacks of teas on offer.

Prime Minister of Nepal will inaugurate the seminar and minister of tourism will present the key-note paper in the seminar, a FBCCI press release said.

SCCI Tourism Council had three seminars organised in Lahore (Pakistan), Colombo (Sri Lanka) and New Delhi (India) which deliberated and discussed the issues, constraints, potentials and the activities to be carried out for raising the level of cooperation in this area and identified the potentials of this sector's contribution to the economic development of SAARC member countries.

Foreign investors pump over \$ 3b in Indian bourses

NEW DELHI, Dec 25: Foreign institutional investors pumped in more than three billion dollars in Indian bourses since January, despite political uncertainty, and a slowdown in industrial production, the Economic Times said Wednesday.

The newspaper quoted the national markets watchdog, the Securities and Exchange Board of India, as saying monthly investment by overseas players stood at 95 million dollars between December 1 and 20.

The cumulative investment by foreign institutional investors in the country stands at more than 7.1 billion dollars since the sweeping market reforms of 1991.

India this year has been dogged with political uncertainty after the historically dominant Congress (I) Party was voted out of power paving the way for a short lived Hindu government followed by a loose-knit coalition.

Stocks recover from sharp fall, dollar up in Tokyo

TOKYO, Dec 25: Share prices bounced back Wednesday, allowing the Tokyo Stock Exchange's main index to recover more than two-thirds of the previous day's sharp losses. The dollar rose against the Japanese yen, reports AP.

The Nikkei Stock Average, which had sunk Tuesday to its lowest level of the year, gained 387.70 points, or 2.02 per cent, closing at 19,549.41. On Tuesday, the average had plunged 528.75 points, or 2.69 per cent — its second sharp fall in three sessions — on worsening pessimism about Japan's economy.

Its close Tuesday of 19,161.71 points was its lowest since December 19, 1995.

"We can't afford a 500-point decline every day," said Masatoshi Fukuda, managing director of research at Smith Barney International.

Yasuo Ueki, general manager of the equities operation group at Nikko Securities, said the market was supported early Wednesday by strength in Nikkei futures prices on the Chicago Mercantile Exchange.

An overnight rise on Wall Street also encouraged investors, and bargain-hunting kept buying strong, traders said.

Many traders were buying to cover short, or oversold, positions on the last day of trading for which settlement will be possible before the year's end.

The year's stock trading in Tokyo will end with a half-day session next Monday. Financial markets reopen on January 6 after New Year's holidays.

Trading volume was light Wednesday, with 279 million shares changing hands on the exchange's first session, compared with 336 million Tuesday. Advances outnumbered retreats 794 to 320, while 152 issues were unchanged.

The Tokyo Stock Price Index of all issues listed on the first session was up 20.98 points, or 1.45 per cent, to 1,469.43. It had closed down 27.39 points, or 1.86 per cent, the previous day.

Meanwhile, the dollar was trading at 114.68 yen in late afternoon, up 0.35 yen from late Tuesday and also above its overnight level in New York of 114.44 yen.

With Tokyo one of the few markets open on Christmas Day, trading was extremely sparse.

The benchmark No. 182 10-year Japanese government bond closed at 103.86 yen, down from Tuesday's finish of 104.20 yen. Its yield rose to 2.46 per cent from 2.415 per cent.



UNFPA Executive Director Dr Nafis Sadik called on Foreign Minister Abdus Samad Azad at his office on Tuesday. — PID photo

Toyota plans to form joint venture in India

TOKYO, Dec 25: Toyota Motor Corp. Japan's largest automaker, plans to form a joint venture to make passenger cars in India as early as next summer, a company official said Wednesday, reports AP.

Concrete terms, including the amount of investment in the project and the type of cars to be produced, are yet to be finalized, a company spokeswoman Keiko Kishi said.

A feasibility study that began in October with Daihatsu Motor Co, a Toyota group company, is still continuing, Kishi said, but she added that Toyota is intending to go through with the project.

The Indian partner will be Kirloskar group, a medium-sized Indian maker of auto parts and industrial machinery. The location for the joint venture company has yet to be decided, Kishi said.

The Nikkei newspaper reported that Toyota's total investment in the project was likely to be between 30 billion yen and 50 billion yen (263 million dollars to 439 million dollars).

Overall demand for automobiles in India is expected to double to about 1.3 million vehicles a year in 2000 from the present level, the report said.

Japan approves \$679b budget for next year

TOKYO, Dec 25: Eager to cut government debt, Prime Minister Ryutaro Hashimoto's Cabinet on Wednesday formally endorsed a fiscal 1997 budget that calls for more taxes and less borrowing, reports AP.

Despite relatively small growth from the previous year, the 77.39 trillion yen (678.86 billion dollars) proposed budget would be Japan's largest ever.

It cuts down on bond issues, making up the lost revenue by closing some income and property tax loopholes and raising the national sales tax to 5 per cent from 3 per cent.

As usual, the government made very few changes to the draft budget set out by the powerful Finance Ministry. The budget still needs Parliament's approval.

For the fiscal year beginning next April 1, new government bond issues are to be reduced by 22 per cent from fiscal 1996 to 16.71 trillion yen (146.58 billion dollars). Deficit bonds are to rise 7.47 trillion yen (65.53 billion dollars) of that, and construction bonds the remaining 9.24 trillion yen (81.05 billion dollars).

Hashimoto's administration is trying to cut the deficit from current levels above 6 per cent of gross domestic product to about 3 per cent by 2005.

The new budget would raise overall spending by 3 per cent from the 75.11 trillion yen (658.86 billion dollars) budget for the current fiscal year. Policy-related general account expenditures are to rise by 1.5 per cent to 43.81 trillion yen (384.30 billion dollars) from 43.14 trillion yen (378.42 billion dollars) in the previous year, the lowest increase in 10 years.

Debt servicing costs will rise 2.6 per cent to 16.80 trillion yen (147.37 billion dollars). Outstanding government bonds are expected to be about 241 tril-

lion yen (2.11 trillion dollars) at the end of the current fiscal year on March 31, 1997.

Public works spending is to rise 1.3 per cent to 9.85 trillion yen (86.40 billion dollars), including disaster relief and aid to the formerly state-owned Nippon Telegraph and Telephone.

Defense spending is to rise 2.1 per cent to 4.95 trillion yen (43.42 billion dollars), while foreign aid is to rise 2.1 per cent to 1.17 trillion yen (10.26 billion dollars).

The government also approved a 39.33 trillion-yen (345 billion dollars) budget for general outlays in next year's Fiscal Investment and Loan Programme, a record 3 per cent drop from this year.

The investment and loan budget, widely called Japan's "shadow budget," funnels funds from the government's public savings programmes into policy and investment initiatives.

The national welfare programme is to receive 2.53 trillion yen (22.19 billion dollars) from that budget, up from 1.89 trillion yen (16.58 billion dollars) in the current year.

China, Japan sign outline accord on \$ 1.49b loan

BEIJING, Dec 25: China and Japan signed outline agreements here Tuesday on a 170.51 billion yen (1.49 billion US dollar) loan for 22 projects in China, Xinhua reported, reports AP.

The 30-year loan, which is the first part of the fourth batch of a Japanese loans to China, will carry a 2.3 per cent annual interest rate, with only 2.1 per cent for environmental projects, and has a 10-year grace period.

Thai Airways posts profit

BANGKOK, Dec 25: Thailand's National Airline said Wednesday it posted a net profit of 3.4 billion baht (136 million dollars) in the latest fiscal year, up 4.5 per cent over the previous year.

It was the 32nd consecutive year of profit for Thai Airways International.

Revenue for the fiscal year ending in September was 78 billion baht (3.1 billion dollars), the company said.

At its annual shareholders meeting, a new 15-person board was elected with Mahidol Chantarakum, permanent secretary of the Ministry of Transport and Communications, as chairman.

Scholarship in fashion design

The British Council and Beximco Group have jointly announced a scholarship in fashion design at the Nottingham Trent University in UK, says a press release.

Kudsia Mahmud, a psychology graduate, has been awarded this year's scholarship through a competitive selection process. Kudsia, a diploma holder in fashion design from National Institute of Fashion Technology of New Delhi, will study at the university for obtaining masters degree in Fashion and Textile under the direction of Prof. Eddie Newton.

The British Council and Beximco will offer another scholarship in 1997/98 in the field of fashion design or merchandising. In addition the Council will organise seminars on these subjects in Bangladesh in order to reach a larger number of people who would not be eligible for the overseas scholarships, the press release added.

Clinton's new budget to provide \$130b in tax relief

WASHINGTON, Dec 25: President Clinton's new budget will provide up to 130 billion dollars in tax relief while still achieving balance in 2002, administration officials say, reports AP.

However, the officials said the plan he will send Congress in February will not contain one controversial deficit-saving proposal: trimming cost-of-living benefits for 60 million Americans receiving Social Security and other government benefits. The officials spoke only on condition of anonymity.

An advisory panel headed by Stanford economist Michael Boskin two weeks ago said the government's Consumer Price Index was oversteering inflation by 1.1 percentage points annually. The panel recommended a series of steps to shrink the CPI by that amount in coming years, enough to achieve one trillion dollars in budget savings over 12 years.

The savings would occur by trimming Social Security cost-of-living increases and other government pension programmes and by boosting taxes through smaller inflation adjustments each year to tax brackets.

The administration officials, however, said the president felt more expert review was needed before such changes could be adopted.

Supporters of a balanced budget argue that restraining the growth in costly government benefit programmes is essential, but Republicans already have said they will not go first in any effort to trim cost-of-living increases.

Clinton held three days of meetings last week reviewing various agency appeals to budget cuts being recommended by his Office of Management and Budget.

While the administration had hoped to have all decisions

wrapped up before Christmas, officials said Tuesday that timetable had slipped. They said OMB preparations were continuing and the scheduled February 3 date for release of the budget had not been jeopardised.

Clinton's tax proposals, which carry a five-year price tag of up to 130 billion dollars will include the 500 dollars per child tax credit that he initially offered in his Middle Class Bill of Rights unveiled in December 1994 after Republicans had taken control of Congress.

In addition, the budget will include tax relief for education expenses either through a 1,500 dollars tax credit to pay for the first two years of college or a 10,000 dollars tax deduction for college tuition.

The home sale proposal, which Clinton unveiled at the Democratic convention in Chicago, would eliminate taxes on the first 500,000 dollars in capital gains profits earned on the sale of a home.

Clinton's budget, for the fiscal year that begins next October 1, will in its broad outlines look very much like the one he sent Congress last March. It will eliminate the deficit by 2002, something Clinton has called the top priority for his second term.

One of the issues still to be settled is how much the administration will try to restore in cuts made last summer in a welfare overhaul bill.

Another trade row likely, Japan's share of US auto market may hit record

TOKYO, Dec 25: Japan's share of the US auto market is likely to hit a record high in 1996, possibly triggering another trade row between Tokyo and Washington, a newspaper reported here Sunday, reports AP.

The Nihon Keizai Shimbun, quoting US industry sources, said sales of passenger cars manufactured by Japanese firms reached 2.4 million or a 30.27 per cent share of the total market in the United States from January to November.

Japanese car sales are expanding much faster than in 1991, when the Japanese share of the US market passed 30 per cent for the first time.

The expected recovery is largely due to price cuts by Japanese automakers, helped by the yen's decline against the dollar, the daily said.

In November, overall Japanese car exports to the United States shot up 27.7 per cent from a year earlier, the finance ministry said.

The 30 per cent line is seen as a politically important point in US-Japan auto trade friction as the 1991 performance triggered a series of bills in the US congress aimed at regulating Japanese car imports.

Janata Bank disburses Tk 28 cr credit for small farmers

By Staff Correspondent

Janata Bank has disbursed Tk 28.13 crore for different poverty alleviation credit programmes since 1988 under the Small Farmers and Landless Labourers Development Project (SFLDP) in collaboration with local and foreign agencies, says a press release.

The money was disbursed in the second phase of the project starting from 1988 in 18 thanas of Bhola, Bogura and Patukhali districts.

Out of the total disbursement, Tk 20.38 crore has already been recovered making the rate of recovery 96 per cent. The project generated employment for about 60,000 people.

In the first phase of the project, the Sadar Thanas of Bogra, Mymensingh and Comilla were selected as project area. Under the project the small farmers and landless labourers have been organised into small informal groups with the aim to generate employment for the targeted people.

During the first phase from 1976 to 1988 Tk 2.19 crore was disbursed to 3000 members of 500 groups, out of which Tk 2.43 crore has been recovered. The recovery rate was 80 per cent.

Under the project the beneficiaries acquired the knowledge of new technology through constant training. The beneficiaries are also actively participating in primary education, sanitation service, family planning and other developmental activities.

Disc drive to make thieves face the music

Graeme Ewens writes from London

The illegal copying of cassette tapes and compact discs is costing the music industry more than two billion dollars a year. Now, reports Gemini News Service, a small west African country is leading the way in fending off the pirates.

Pirates' record haul

Region	Pirate sales US\$ Mil	Legitimate unit sales (millions)	Pirate unit sales (millions)	Pirate % of total unit sales
Europe	944.6	1,000.12	307.24	24
Middle East/Turkey	106.1	91.99	40.92	31
Asia	434.1	1,002.48	386.79	28
Africa	55.0	39.83	24.74	38
Australasia	6.4	51.76	1.83	3
Latin America	298.2	192.96	164.40	46
North America	303.6	1,111.80	28.78	3
Grand Total	2,148.1	3,490.95	954.69	21

Source: International Federation of the Phonographic Industry

CDs, tapes, records

banderole scheme, legitimate sales have grown by eight per cent a year.

Ghana's remaining two per cent of pirate sales is lower

than many developed and highly-regulated countries. Holland suffers six per cent, Switzerland four per cent and Sweden nine. The only country which claims to have no piracy is New Zealand.

The highest level is found in Pakistan, where 94 per cent of recordings sold in 1995 were illegal copies. Russia, China, Nicaragua and Kenya are not far behind. Counterfeit cassettes comprise the bulk of sales, although in Pakistan and China more than 85 per cent of CDs are pirate copies.

China is thought to present the biggest threat to international copyright. Domestic productions account for most local sales, but illegal Chinese-made CDs of international stars are exported globally, accounting for 40 per cent of the world's forgeries.

Another big threat to the global music business comes from Russia, where imported music is very popular, and where 222 million illegal copies were sold in 1995 — 23 per cent of the world's total.

Across the developing world, some domestic artists have tried to fight back by tracing the source of illegal copies. Although performers and producers who confront pirates can sometimes negotiate a one-off payment, it can be dangerous to challenge the criminals.

Re-Tender Notice

1) Name of office: Distribution Division, Power Development Board, Jhenidah. 2) Name of work: Construction work of complaint centre (ADP-incorporated) of Cotchandpur Power Supply Campus under Distribution Division, PDB, Jhenidah. 3) Eligibility of contractors: Tenders are invited from Power Development Board enlisted bonafide valid licence holder 'A' to 'C' class contractors. 4) Estimated cost: Tk 3,93,173/30 (Taka three lakh ninety three thousand one hundred seventy-three and thirty paise) only. 5) Price of tender: 400/- (four hundred) only (non-refundable). 6) Place & date of tender to be available can be purchased from: 1) Chief Engineer, Distribution, West Zone, Power Development Board, Khulna 2) Superintending Engineer, Operation & Maintenance Circle, Power Development Board, Jessore, through Bank Draft from any scheduled bank of Bangladesh in favour of Deputy Director (Accounts), Zonal Accounts Office (ZAO) on any working day up to 11.1.97 and can be purchased also from the local Agrani Bank main branch subject to permission from the Executive Engineer, Distribution Division, Power Development Board, Jhenidah. 7) Date of receiving & opening tender: Tender will be received up to 12.00 Noon of 12/1/97 and tender box will be opened on the same day at 12.30 PM. It may be noted that tender can be sold and received on the next day if govt offices remain closed on the stipulated date for any reason.

Executive Engineer
Distribution Division
Power Development Board
Jhenidah
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