

**SANYO**  
Micro  
Computer  
Controlled  
Automatic  
Washing  
Machine  
ASW-40MT

Micro Computer Controlled Automatic Washing Machine ASW-40MT

# The Daily Star

## BUSINESS

DHAKA SATURDAY, JANUARY 4, 1997

**HYUNDAI**  
CARS THAT MAKE SENSE

### Indonesian rupiah stable amid ample liquidity

JAKARTA, Jan 3: The Indonesian rupiah was stable against the dollar early Friday, trading at an ample liquidity, reports Reuters.

One local bank dealer said there was some dollar buying from Singapore operators up to a high of 2,362.5 at the opening, but this was later countered by local selling.

Spot rupiah settled at around 2,361.80/62.00 at 0235 GMT, compared with an opening of 2,361.80/62.30 tomorrow and today rupiah were at 2,361.55/61.90 and 2,361.25/25.61/61.65 respectively.

One state bank dealer said buyers were still reluctant to take initiatives in a thin market.

They also want to observe the central bank attitude first with regards to its fixing policy, the local bank dealer said.

He said the central bank depreciated the rupiah by only two points last week against the dollar.

The want to see whether the central bank will proceed with the three-to-four point depreciation it has pursued in the past two to three months, the dealer said.

He said speculation on bank widening was another reason which seemed to have prevented operators from buying dollars aggressively despite sustained ample rupiah liquidity.

A US bank dealer said six-month swap fell sharply to 78.5 points from 83.0 points on continued pressure.

He said there was still some room for initiative in the swap market due to inflation and depreciation expectations.

He said forward premiums were traded at some 6.5 per cent as inflation was expected to decline further in 1997.

This triggered some swap selling because operators are expecting a rupiah depreciation of around three to four per cent for this year, the dealer said.

Overnight was at 0.25/0.35 and next at 0.10/0.17.

The local bank dealer said ample liquidity in the money market was another reason for swap selling because of cheap roll over costs at present.

He said however, there seemed to be some building up of support for short-dated swaps as operators unloaded long-dated and covered through short dates.

On-month swap was at 11.72/12.50, two at 23.50/25.00 three at 37.00/39.00 and six at 78.0/79.0 points.

Bank Indonesia raised its intervention rate by one point to 2.360/2.552 and the conversion rate also by one point to 2.360/2.408 on Thursday.

### Patuakhali Poura to implement '96 projects

PATUAHALI, Jan 3: Patuakhali Poursahava has taken up a programme to implement 96 projects in the current financial year, reports BSS.

Poursahava sources said Tk 15313060 would be spent for implementation of the projects. The projects include construction of roads, culverts, public toilets, drains, earth works and embankments within Poursahava area.

The work of the projects will commence soon, the source said.

### ROK's trade deficit balloons in '96

SEOUL, Jan 3: South Korea's trade deficit ballooned to a record 20.38 billion dollar in 1996, double that of the previous year, the government said Friday, reports AP.

The Ministry of Trade, Industry and Energy said the deficit widened because shipments of semiconductors, a key export item, decreased sharply while imports of oil and consumer goods surged.

Overall, exports rose 3.9 per cent to 129.83 billion dollars while imports grew 11 per cent to 150.21 billion dollars, the ministry said.

Exports of semiconductors fell 19 per cent to 17.87 billion dollars. At the beginning of 1996, South Korea had hoped to export 30.7 billion dollars in computer memory chips that year, a 38.9 per cent increase from the previous year.

But that goal became impossible when chip prices dropped sharply. The price of 16-megabit DRAM (dynamic random access memory) chips, the mainstay of last year's chip production, plunged to 9.25 dollars a piece last year from 50.6 in late 1995.

South Korea's exports had posted two-digit growth rates until last year.

Imports of crude oil surged 32 per cent to 13.92 billion dollars last year as a result of rising international prices and a surge in demand triggered by vigorous expansion programmes at domestic refineries.

Imports of consumer goods, such as cars, cosmetics and apparel, rose 20.6 per cent.

## Stock market recovering

By Rafiq Hasan

The situation in the country's capital market is improving gradually as the investors are gaining back confidence and giving positive response to buying shares and debentures.

According to market operators and share-traders, the stock market which had been passing through a plunging situation since the beginning of last month is now going up again with increasing buying pressure on the floor.

They observed that the relaxation of circuit breaker, government initiative to reform the Securities and Exchange Commission, formation of some committees to look into the alleged manipulation by

some brokers and monitoring of day-to-day transaction helped bring back confidence among the investors.

Although full enthusiasm is yet to return to the market, the situation improved a lot, said Imtiyaz Hussain, Chairman of the Dhaka Stock Exchange (DSE).

He said it is natural that share market indicators will experience ups and downs but due to govt's decision the market had plunged into deep crisis recently. It eventually stopped exchanging shares of some issues.

About the government pressure for imposing circuit breaker on fluctuation of share

prices, the DSE chairman noted that the market could not overcome the sluggish situation fully because of controls.

Imtiyaz said the positive sign which is now prevailing in the market is mainly due to growing confidence among the investors.

Some members of the DSE reacted positively as they hoped that the market would continue to rise in the days ahead.

Now the investors would be able to recover their invested money which had been stuck up during the recent massive fall and stalemate in the market.

However, they regretted that trading of a number of shares of blue-chip issues remained held

up for over one month causing tremendous miseries to the general investors.

As the circuit breaker was relaxed up to 10 per cent from 5 per cent, effecting since Wednesday, the investors are thinking that the market may go up again shortly, said a member of the DSE.

Only a few days back there were a large number of sellers and few buyers but now the situation has changed, he said.

With the improvement of overall situation in the capital market, the major market indicators of the Dhaka Stock Exchange started bouncing back since Sunday last.

The DSE All Share Price Index rose to 2450.58 points yesterday posting a rise of about 219 points over the week which started with the recent lowest position of 2241.83 points on Saturday.

The market capitalisation of the bourse also increased by Taka 1694.99 crore during the period reaching Taka 17720 crore from Taka 16025 crore.

During the period, gains dominated the floor almost everyday and the gap between the gainers and losers has been narrowed down.

Since the relaxation of circuit breaker on an average 62 issues gained everyday while only 23 issues incurred losses.

Trading in both the volume and value also increased significantly as more than 5.46 lakh shares and debentures worth Taka 22.04 crore exchanged hands during the week.

Out of 80 traded issues daily, 55 gained and 24 suffered losses. Share prices of only 4 companies remained unchanged.

As the market started improving, the kurb market traders who had staged demonstration protesting massive price fall have suspended their agitational programme.

Talking to The Daily Star, a number of outside traders said there will be no agitation if the market remains stable.

A large number of outside traders were seen busy exchanging shares and debentures in front of the DSE building throughout the week.

Brokers said the index was pushed up by late bargain-hunting in some blue chips following earlier profit-taking.

Traders said market activity was held back by a lack of direction in the market ahead of the weekend.

After a spate of selling when investors took profit, it's been pretty quiet, said Allen Chang, director of institutional sales at Prime East Securities (HK) Ltd.

The Australian stock market closed lower, with share prices dragged down by falls in most sectors.

The Sydney's Ordinaries Index ended the week at 2,399.5, down 11.7 points or 0.5 per cent from Thursday's close.

A Melbourne dealer said trading was lackluster, causing the market to drift lower on thin volumes.

The markets were closed in

## Speakers tell seminar Road communication network inefficient

Speakers at a seminar here yesterday underlined the need for building road communications across the country under a proper planning to increase economic growth, reports BSS.

Viewing that the country's road communication network was an inefficient one they said the planning for building road network should be taken considering the factors of environment, people's welfare, quality of work and minimal use of land.

Organised by Roads and Highways Diploma Engineers Association the seminar entitled 'Planned road communication system in attaining national progress: Bangladesh context' was held at the Sarak Bhavan premises.

Presided over by Secretary of the Jamuna Multi-Purpose Bridge Authority Abdul Mueed Chowdhury the seminar was addressed by senior research fellow of Bangladesh Institute of Development Studies (BIDS) Dr Atiur Rahman and Additional Chief Engineer of Roads and Highways Department Mohammad Ishaq.

In his speech, Atiur Rahman said besides increasing the economic growth roads also play the role of social and cultural catalysts.

He said the construction of good roads as well as efficient

communications network widen the market and lessen the per unit production cost of the products.

Rahman said the government would have to shoulder the primary responsibility of building road infrastructures.

He also underscored the need for developing the communications network through the coordinated and united efforts of both the public and public sectors.

Rahman said road communication was not expanded as compared to the country's ever-increasing vehicles, passengers and goods transportation.

There should be a vision to develop the infrastructure in a planned way, he added.

Rahman said the opinions, knowledge and experiences of the commonman should also be given due importance at the time of formulation of the planning.

Abdul Mueed Chowdhury called for minimal use of land while building the road network.

There is a scarcity of land, he said adding land must not be misused which constructing roads and highways.

He also said the construction of the Jamuna Multi-Purpose Bridge would bear an immense economic impact in all regions of the country.

## BSL earns Tk 1cr pre-tax profit in '95

Bangladesh Services Limited (BSL), owner of Dhaka Sheraton Hotel, earned a net pre-tax profit of Tk 1.09 crore in 1995, reports UNB.

This was disclosed at the 23rd Annual General Meeting (AGM) of BSL on December 29.

The meeting was told that BSL completed the construction of its office complex project with all latest outfits and equipment at a cost of Tk 32.71 crore.

In keeping with the privatisation policy of the government BSL board of directors decided to obtain consent from the government for off-loading government owned shares to the market.

The meeting was informed that BSL had already rented out spaces to prestigious tenants like ADB, UNICEF, ANZ Grindlays Bank and Society General and negotiation for lease agreements with Agrani Bank, Sonali Bank, Reuters, Aeroflot and Faysal Islami Bank of Bahrain is at the final stage.

Chairman of BSL and Civil Aviation and Tourism Secretary Mohammad Ismail Hossain presided over the meeting.

UAE to maintain high per capita income in next two years

ABU DHABI, Jan 3: The United Arab Emirates (UAE) will maintain its high per capita income in the next two years despite the rapid growth in its population, an official study showed on Thursday, reports AFP.

Per capita income is currently estimated at around 60,000 dirhams (16,400 dollars) and the level will remain almost unchanged until 1998, said the study by the department of Abu Dhabi's corn price.

It said the per capita income would be supported by a projected economic growth of 3.5 per cent in 1997 and 1998. It gave no figures on the growth in the UAE's population but independent estimates put it at three to four per cent.

The UAE has remained among the countries having the highest per capita incomes over the past decade due to its large oil and gas exports.

Such exports fetch it an average 13-15 billion dollars a year and the earnings have helped it to sharply boost the gross domestic product (GDP) through pumping huge investments in the non-oil sector.

The per capita income is calculated in the UAE by dividing the GDP over the population. The latest figures on the GDP and population were published in 1995, when they stood at 38 billion dollars and 2.3 million respectively.

The study predicted GDP to hit a record 160 billion dirhams (43.5 billion dollars) in 1998.

The UAE produces around 2.16 million barrels per day of oil under an OPEC-assigned quota but its actual capacity is far higher.

## Asian stock markets close week higher

HONG KONG, Jan 3: Asian stock markets ended the week mostly higher Friday, with share prices rising in Hong Kong on bargain-hunting, reports AP.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 19.35 points, or 0.1 per cent, closing at 13,222.79. On Thursday, the index had slumped 248.01 points.

Brokers said the index was pushed up by late bargain-hunting in some blue chips following earlier profit-taking.

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The markets were closed in

Japan and Taiwan.

BANGKOK: Thai share prices closed lower, with the key index falling below 800 points for the first time since September 1992 because of worries over the country's economy. The Stock Exchange of Thailand Index fell 15.66 points to 787.47.

WELLINGTON: New Zealand share prices closed higher, starting the new year on a positive note after shunning off any concerns that uneasiness on Wall Street would negatively affect local investors. The NZSE-40 Capital Index rose 9.57 points to 2,369.21.

MANILA: Share prices closed slightly higher in mixed trading. The Philippine Stock Index rose 14.78 points to 3,169.26.

SEOUL: Share prices closed higher in thin trading. The Korea Composite Stock Price Index rose 2.57 points to 653.79.

SINGAPORE: Share prices closed mostly higher. The benchmark 30-share Straits Times Industrials index rose 7.29 points to 2,224.08.

KUALA LUMPUR: Malaysian share prices closed higher. The Composite Index rose 0.92 of a point to 1,231.45.

JAKARTA: The stock exchange's Composite Index rose 8.091 points, closing at 646.194.



The 460 million USD New York Hotel and Casino celebrates its grand opening in Las Vegas, Nevada, USA with a firework display shot from 12 New York City styled hotel towers January 3. The hotel extends 47 stories and 529 feet into the air making it the tallest hotel/casino in Las Vegas. In front stands a 150-foot replica of the Statue of Liberty and a 300 foot-long, 50-foot-high replica of the Brooklyn Bridge walkway entrance. The tower structures are approximately a one-third scale of New York City architecture. —AFP/UNB photo

## Bid to improve India's infrastructure Foreign institutions to play leading role in creating fund

BOMBAY, Jan 3: Foreign financial institutions will play the leading role in a 1.4 billion-dollar fund being set up to improve India's infrastructure, a leading business daily reported Thursday, says AFP.

The Economic Times newspaper said the Asian Development Bank, Japan's state-run Overseas Economic Cooperation Fund (OECF) and the government-owned Investment Corp of Singapore would be among the international shareholders of the Infrastructure Development Finance Corp (IDFC).

The newspaper said the IDFC announced by New Delhi a few months ago, would function free of government interference and would have powers to take major investment and policy decisions.

The newspaper said India's finance ministry had finalised the list of shareholders, the equity pattern and management structure of IDFC, and the proposal was now awaiting federal cabinet approval.

It did not give details but said the IDFC would increase the flow of credit and supplement loans from existing financial institutions for infrastructure projects.

IDFC will also structure various loans for development finance, both in rupee and dollar term, and will provide guarantees for specific projects where the foreign exchange outlay is very large.

Officials said the participation of Japan's OECF in the equity of IDFC was significant, as that country had decided to increase its exposure in Indian infrastructure projects.

This year the government of Japan, through the OECF, extended its largest ever soft loan package, amounting to 43 billion rupees (1.2 billion dollars), for eleven infrastructure projects in power, transportation, water supply, irrigation and environment, said the newspaper.

ABB taking up 45 pc stake in power project

Another report says: European engineering giant ASEA Brown Boveri (ABB) is taking up a 45 per cent stake in a power project in the south Indian city of Madras, the Economic Times newspaper reported Friday.

The 41.9 billion rupees (1.19 billion dollars) power project is being put up by India's Videocon Business House, which would retain the balance of 55 per cent, the newspaper said.

The Economic Times said ABB would replace Edison Mission Energy of the United States in the project, Videocon and Edison Mission Energy split up last month over the US company's level of commitment to the project, said the newspaper.

ABB and Videocon are giving the final touches to the joint venture and the deal is to be signed next week, the report said.

Ramos told Gordon not to award the 25-year contract to Hutchison Ports Philippines Ltd., which had been declared the winning bidder in August by the authority.

Ramos ordered a review of the contract because of a potential loss of huge revenues resulting from the authority's original decision to disqualify International Container Terminal Services Inc's highest bid due to a rule that prohibits it from operating two Philippine ports. It already operates Manila's container port.

He said the review showed that the authority disregarded the terms of reference in the tender document in determining the winning bidder.

TOKYO: — Five Japanese semiconductor manufacturers plan to increase by 10 times their cumulative monthly production of 64-megabit DRAM chips by the end of December, a newspaper reported Friday.

The companies will expand monthly production of the chips to a total of 7.5 million units, up from 700,000 at the end of last year, the Nihon Keizai Shimbun, Japan's leading business daily, said, quoting unnamed company officials.

Young-Kil said.

The 44 workplaces included South Korea's second largest automaker, Kia Motors Co., Ssangyong and Asia Motor Companies, and Mando Machinery, the country's largest car parts maker, as well as South Korea's largest shipyard, Hyundai Heavy Industries Co.

The Labour Ministry disputed the tally, saying only 19,000 workers at some 20 workplaces walked out today, suggesting the militant KCTU was drawing an exaggerated picture of strikes to stir up workers.

A union representative of Hyundai Heavy Industries in the southern port of Ulsan told AFP by phone that about half of the company's 21,000 workers heeded the strike call but that their absence was enough to cripple production.

"We'll step up our struggle by stages until the government nullifies the bad labour law which was rammed through parliament in a deceptive manner," KCTU President Know

NEW DELHI, Jan 3: — The government has curbed federal police powers to probe alleged fraud by bankers in a decision apparently motivated by politics, newspapers reported Friday.

The chairman of the state-owned Indian Bank is in jail awaiting trial on charges of violating rules to favour politically connected businesses and causing millions of rupees in losses to the bank.

The official belonged to a regional party whose lawmaker is finance minister in the 14-party United Front government of Prime Minister HD Deve Gowda. The banker resigned from the party following his arrest in October.

Newspapers reported Friday that the Central Bureau of Investigation, which is similar to the American FBI, must get permission from the finance ministry to probe allegations of fraud by senior bankers.

The Indian Express newspaper said Gowda's decision apparently was to prevent lawmakers of the regional party — a splinter group of Congress Party — from breaking away and rejoining the Congress.

MANILA: — Philippine President Fidel Ramos has ordered the rebidding of a contract privatizing the operations of the container terminal at a former US naval base.

The order was issued Thursday to Richard Gordon, chairman of the Subic Bay Metropolitan Authority, the government agency overseeing the Subic Bay Special Economic Zone.

Subic, a former US base 80 kilometres (50 miles) west of Manila, has been converted into an industrial and tourist centre.



Syed Manzur Elahi, Chairman, Apex Tannery Ltd, speaking at the 20th annual general meeting of the company in the city on Monday. Md Rahmatullah (L), Managing Director and Syed Nasim Manzur, Director, also seen in the picture.

## Apex Tannery declares 30 pc dividend

The 20th annual general meeting of Apex Tannery Limited (ATL) was held on Monday at the Mirpur Indoor Stadium, says a press release.

The meeting was presided over by the chairman, Syed Manzur Elahi and attended by over 300 shareholders.

After due deliberations by the shareholders, the accounts for fiscal 1995-96 were unanimously approved. The proposed dividend of 30 per cent was also approved at the meeting by the shareholders.

In his address the chairman stated that despite political crisis in '96, the company was able to maintain its performance through cost reduction and increased marketing efforts.

He further informed the shareholders of the progress of work of Apex Tannery Limited Unit II and that it was expected to begin trial production by March 1997. With the addition of Unit II, total capacity of Apex Tannery Limited would be increased from the existing 18 million sq ft p.a. to 34.6 million sq ft p.a. This additional capacity will lead to significant sales and profit growth for the company.

Oil prices up in world market

LONDON, Jan 3: Oil prices were up sharply Thursday in light trading on the International Petroleum Exchange, reports AP.

Traders said the prices reflected an upturn in US prices just before the New Year holiday, and increasing demand due to cold weather in Europe.

North Sea Brent Blend crude contract for February delivery was quoted at 24.25 dollars per barrel at noon, up 45 cents.

February Brent futures opened at 24.50 dollars up 69 cents.

## Asia business briefs

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The higher-capacity 64-megabit DRAM chips are gaining popularity in computers because they save space and energy.

The paper identified the companies as NEC Corp., Toshiba Corp., Hitachi Ltd., Fujitsu Ltd. and Mitsubishi Electric Corp.

NEC produced 500,000 of the DRAMs a month at the end of 1996, the most of the five, the daily said. By the end of 1997 the company plans to manufacture between three million and five million units a month, it said.

Toshiba, which was producing 100,000 units a month at the end of December, will escalate output to one million by the end of the year, the paper said.

The five companies currently account for more than 40 per cent of world DRAM production, the daily said.

CANBERRA: — The proportion of Australian workers belonging to labour unions was 40 per cent as of June 30, 1996, unchanged from June 30, 1995, the Bureau of Statistics said Friday.

The bureau said there were 132 trade unions in Australia by the end of the first half of 1996 and a total of 2.8 million members.

The proportion of workers who were union members and also paid union fees was unchanged from the previous year at 35 per cent.

The proportion of union members was down sharply from 53 per cent in 1991, the Bureau said.

Late last year Australia's conservative Liberal National coalition government pushed through legislation to liberalise Australia's once highly regulated labour market. — Source: AP