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The Daily Star BUSINESS

DHAKA SATURDAY, JANUARY 18, 1997

**HYUNDAI**

CARS THAT MAKE SENSE

Indian rupee steady against dollar

BOMBAY, Jan 17: The Indian rupee opened steady at 35.85/86 against the dollar on Friday, dealers said, reports Reuters.

The dollar was expected to hold in a narrow range of 35.84/87, and was unlikely to stray far outside 35.85/86 for long, dealers said.

Dealing rooms in Bombay were unaffected by disruption in transport resulting from a workers protest at the killing of a prominent trade union leader in the city on Thursday.

The Reserve Bank of India (RBI) was expected to buy dollars curbing the rupee's strength.

Stocks close lower in Tokyo

TOKYO, Jan 17: Tokyo stocks closed slightly lower on Friday as early gains, mainly prompted by buying back in the construction sector, lost momentum, reports Reuters.

Cautious investors retreated to the sidelines ahead of Monday, when a session of parliament opens, brokers said.

Market participants are anxious to see if the government will revise the 1997 state budget, which includes proposals to raise the consumption tax and end special income tax cuts, or propose measures to support the stock market, they said.

The Nikkei 225 average, which rose over 300 points early in the afternoon, ended down 54.30 points or 0.30 per cent at 18,090.04. But its March futures rose 10 points to 18,130.

"The market will watch the parliamentary session very carefully," said Masaaki Higashida, Deputy General Manager at Nomura Securities Co Ltd.

'Identify problems of impoverished areas to ensure development'

GOPALGANJ, Jan 17: Finance Minister Shah AMS Kibria has laid emphasis on identifying various problems of the impoverished areas in consultation with the local people to ensure implementation of development projects on a priority basis, reports UNB.

"We will have to build a bridge between the administration and the local people to reach them the fruits of development through proper and speedy implementation of development programmes," he told an official meeting.

District Administration and local leaders arranged the meeting at the conference room of the Deputy Commissioner to identify the problems in various sectors like education, health, communications, electricity and agriculture in the district.

Presided over by Water Resources Minister Abdur Razzak, the meeting was also attended by State Minister for LGED and Cooperatives Syed Abul Hossain.

The Finance Minister pointed out that the present government has taken up steps to bring dynamism in the local government institutions on the basis of public opinion.

Water Resources Minister Abdur Razzak said the government is committed to ensure the country's overall development by bringing about a change in the lots of neglected people of the impoverished areas.

Among others, Lt Col (ret'd) Farooq Khan MP, Prof Khaleeda Khanam MP, district unit president and secretary of ruling Awami League, district BNP secretary, district Ameer of Jamaat-e-Islami, CFB district president, Jatiya Party leaders, and representatives from local newsmen, teachers' associations and business community were present.

ASA-CARSA accord

An agreement has been signed between ASA (Association for Social Advancement) and CARSA (Centre for Advanced Research and Social Action) in providing financial training and consultancy support to implement poverty alleviation programme through replicating ASA self-reliant model, says a press release.

The agreement was signed by the Chief Executive, Md Shafiqul Haque Choudhury for ASA and Dr Ahmed Kamal for CARSA.

According to the agreement, Takia one lakh was handed over to Dr Ahmed Kamal as first instalment.

US initiates trade ban on Argentina

WASHINGTON, Jan 17: The United States has initiated trade sanctions against Argentina because of that country's violation of intellectual property rights on pharmaceutical products, the US trade representative's office said Wednesday, reports AFP.

It said the measures would affect about 260 billion dollars in trade. Just before the announcement was made, parliamentary sources in Buenos Aires said Argentina would retaliate against such measures.

Groundbreaking ceremony likely in April

Korean EPZ to go into production next year

The groundbreaking ceremony of Korean Export Processing Zone, the country's first industrial park owned by a foreign private company, is expected to take place in April, reports UNB.

Acquisition of land arrangements for other infrastructural supports, including water, electricity and gas supply, telephone connection, jetty and ferry facilities and improvement of the access road for the KEPZ are progressing rapidly.

This was disclosed at a high-level meeting on the KEPZ held in the conference room of the Industries Ministry with Minister for Commerce and Industries Tofael Ahmed in the chair Thursday.

Prime Minister Sheikh Hasina is expected to inaugurate the groundbreaking ceremony of the KEPZ.

Youngone Corporation, a Korean company, is the first private foreign investor to establish a private EPZ in Bangladesh covering an area of 2788 acres of land on the bank of river Karnaphuli in Chittagong.

Sponsors expect one billion US dollar investment in the zone while another 200 million dollars will be spent for infrastructural development. The KEPZ is expected to go into production by next year and create employment for 150,000 people.

While discussing different stages of the progress of work, the minister asked the Chittagong district administration to complete land-acquisition process immediately.

The meeting decided to set up a police outpost in the vicinity of the zone for safety and security of the project area.

It also decided to provide 500 gallons of water per day from Chittagong Urea Fertilizer Factory (CUFL), the adjacent industry, to KEPZ.

At this initial stage, CUFL will also provide about 5 mw electricity to KEPZ while the T&T authorities assured telephone lines. Petrobangla assured providing sufficient gas as needed in 1998.

A committee was formed with the chairman of Chittagong Port Authority (CPA) to look into how jetty and ferry facilities could be provided to the zone in view of the future planning of creating adequate port facilities there.

The meeting asked the Roads and Highways Department to improve the approach road to KEPZ. Besides, traffic division of Chittagong police was asked to improve the traffic system there.

Opening discussion, Tofael said the government was preparing the groups for establishing the KEPZ as it is the first government step towards creating jobs, transfer of modern technology and increase in foreign exchange earning.

The prime minister, he said, is very keen to see that the project complete as soon as possible and all government departments are working together to materialise the maiden task for expanding scope for foreign investment.

Besides, a large number of foreign investors are now en-

gaged in production and distribution of gas and electricity under production-sharing contract, he said, adding these are the outcome of pragmatic and epoch-making steps taken by the government to attract foreign investment.

The steps include private EPZ law, permanent law commission, liberalization of trade policy, and incentive package containing huge fiscal and non-fiscal incentives to the investors. He said the minister told the meeting that the government was receiving positive response from potential foreign investors from Singapore, UK, USA, European countries, Canada and other economic powers to invest in Bangladesh in different sectors.

At the same time, he said, the government is expanding the present Dhaka and Chittagong EPZs to accommodate more export-oriented industries. So, another 81 industries are now under implementation besides 95 units now in operation in these two EPZs.

Another EPZ in an area of about 500 acres of land in Gazipur is under construction, Tofael added.

Executive Chairman of the Board of Investment Dr Tawfik-Elahi Chowdhury, Cultural Secretary Anisul Haq Chowdhury, President of Youngone Corporation Kihak Sung Executive Chairman of BEPZA Moazzem Hossain Khan, CDA Chairman M Zakaria and representatives of concerned ministries attended the meeting.

BKB disburses Tk 36.16 lakh among farmers in Comilla

COMILLA, Jan 17: The local branch of Bangladesh Krishi Bank has disbursed agricultural loan about Taka 36.16 lakh among 402 farmers of the district during the first six months of the current fiscal, reports UNB.

Official sources said a total of Taka 86.50 lakh will be distributed among the poor farmers during the current financial year.

Of the distributed loan, Taka 5.98 lakh were disbursed among 75 farmers for aman cultivation. Taka 9.04 lakh among 98 farmers for boro, Taka 60,000 among 11 farmers for wheat. Taka 20.54 lakh among 218 farmers for potato cultivation.

Meanwhile, the bank has released loan Taka 37.77 lakh which is 47 per cent of the total loan disbursed during the last fiscal.

During the first six months of the current fiscal the bank has filed 102 certificate cases against a section of farmers for non-payment of Taka 18.85 lakh.

Poura loan disbursement

Another report says: In a bid to encourage the destitutes to undertake income-generating programmes, Comilla Pourasava has started to disburse loan among poor women in Rishipatti area of the town. Officials said on Monday, the first day of the loan disbursement programme, they distributed Taka 80,000 among 40 poor women of the area.

Pourashava Executive Engineer Mir Rezaul Karim attended the programme as chief guest.

Bid to open South Asian markets Thai minister may visit Bangladesh in March

BANGKOK, Jan 17: In a bid to open South Asian markets to Thai products, Thai Deputy Foreign Minister Pitak Intrawithayanunt is arranging a trip to the region to pave the way for visits by other leading Thai figures, reports Xinhua.

The trip, which is to take place in early March, will take him to India, Bangladesh and Sri Lanka, according to a foreign ministry source today.

Pitak's trip is likely to be followed by visits by the government's special adviser on economic and foreign affairs and former prime minister Chatchai Choonahavan and even by Prime Minister

Chavalit Yongchaiyudh himself.

Earlier, both Chatchai and Foreign Minister Prachub Chaiyasarn stressed opening up markets in the subcontinent for Thailand's sluggish export sector.

South Asia has not been Thailand's traditional export markets. Thailand's major trading partners are ASEAN nations, the United States, Japan and Europe.

The three South Asian countries, with a total population of about 1.1 billion, have great potentials for Thailand's exports and investments, the source noted.

Pakistan fails to attract big British investment

ISLAMABAD, Jan 17: Captains of British industry, who accompanied Prime Minister John Major to Pakistan, did not commit any big investment in the country city an "unstable political situation" and a "weak economy", reports PTI.

The British Premier stressed the need for political stability in Pakistan if trade and investment were to flourish. "Political stability is vital as it will encourage both domestic and foreign investment in Pakistan," he said at a seminar in Lahore.

No big British investment was likely unless Pakistan economy improved drastically which was expected to take quite some years, India-born British industrialist Lord

Swaraj Paul told PTI here. World Bank Executive and Economic Advisor to the Interim Government Shahid Javed Burki admitted, after a cabinet meeting on Monday last, that the economy had gone so worse that it was difficult for anyone to put it back on track.

Pakistan had to borrow a number of market loans totalling 250 million dollars to meet the balance of payment crisis as its foreign debt soared to 30 billion dollars.

Media reports in the country said that one of these loans amounting to 100 million dollars, provided by a syndicate of 19 international financial institutions with ANZ as the lead bank, was meant to facilitate oil import.

Row over new labour law in ROK Ruling party rejects workers' conditions for TV debate

SEOUL, Jan 17: A militant labour group, reversing itself, accepted a government party proposal Friday to discuss its grievances on television, but the party said it cannot accept union leaders' conditions, reports AP.

The outlawed Korean Confederation of Trade Unions announced that it has accepted the ruling party's proposal for a television debate to discuss the cause of the current labour unrest.

Kwon Young-gil, head of the federation which is spearheading the current nationwide protests, told reporters that he would accept the proposal if he and the ruling party head are selected as panelists, his personal safety guaranteed and the debate is televised live.

Kwon was responding to a proposal Thursday by Lee Hong-koo, Chairman of the ruling New Korea Party. The party on Friday welcomed the federation's change of attitude but said it cannot agree to the terms set by the labour group.

"The TV debate should be conducted within the sphere of law," party spokesman Kim Chul said. "We can't go on TV with persons on a government wanted list. If they send someone else who are free, we'll agree."

Kwon is among 16 union leaders being wanted by the government for leading the current wave of labour protests that have rocked South Korea for more than three weeks. Four leaders have been arrested so far.

Kwon, along with six deputies, have been taking refuge at a Roman Catholic cathedral in central Seoul.

World trade leaders to be allowed to visit

Reuters says: South Korea's immigration chief said on Friday 10 world trade leaders planning to visit the country

would be allowed in, but warned they would be deported if they took part in strike-related protests.

Leaders of trade union organisations from around the world are due to arrive in South Korea next week to show support for unions leading more than three weeks of strikes.

2nd ICTU team soon

AFP adds: A Brussels-based international trade union body said today it was preparing to send a second delegation to strike-crippled South Korea, where it said the impasse over a new labour law was "getting worse."

In a fax to AFP, the ICTU said the mission had received assurances from "the highest level" of the government that it would facilitate meetings with South Korean officials to discuss the matter.

Hyundai plant to lift lockout

Another AFP report says: South Korea's largest auto maker, Hyundai Motor Co., said today it would lift a week-long lockout of 32,000 employees at its plant in the southern port city of Ulsan on Saturday.

A company statement said the decision was taken because the lockout was affecting the livelihood of its workers and subcontractors.



Canadian Prime Minister Jean Chretien (L) and his Thai counterpart Chavalit Yongchaiyudh (R) toast each other in Bangkok yesterday after witnessing the signing of nine business contracts and bilateral agreements between Canada and Thailand. Chretien arrived late Thursday on a five-day visit on the final leg of a three-nation tour of Asia. Chretien leads a delegation of 300 business leaders and the premiers of 10 provinces. Canadian Ambassador to Thailand Manfred Von Nostitz (C) is also seen. —AFP/UNB photo

S'pore sets rules for telecom liberalisation

SINGAPORE, Jan 17: Singapore announced Friday it will grant a 17-year licence to two new telecommunications companies effective April 2000 and set a 49 per cent limit on foreign equity in the new competitors, reports AFP.

Communications Minister Mah Bow Tan said, a one-time fee of 10 million Singapore dollars (7.1 million US dollars) will be charged in order to eliminate a bidding war among applicants and make them focus on offering better services.

The market will be opened up after the lucrative monopoly of Singapore Telecommunications Ltd, Asia's largest listed firm outside Japan, on basic services ends on March 31, 1997.

The cellular phone and pager market will be opened up in

April this year.

On top of the licence fee, the two new players will be charged a recurrent fee of one per cent of their audited annual gross turnover, subject to a minimum of one million dollars the first year, two million dollars the second year, and three million dollars in the third.

The reafter, the one-per cent fee stands without any minimum amount.

"We are not looking to maximize revenues from this tender exercise," Mah said. "Hence, government has decided to fix the licence fees... instead of subjecting them to bidding."

"With the licence fees set up front, tenders can focus their efforts on putting up their best offer in terms of the facilities and the services they want to provide," he added.

Gold output up in Philippines in '96

MANILA, Jan 17: Gold production at the Philippines' commercial mines rose to 16,900 kilograms in 1996, up 36.55 per cent from 12,400 kilograms in 1995, according to the latest figures of the Department of Environment and Natural Resources, reports Xinhua.

The Mines and Geo-Sciences Bureau of the Department placed the value of the 1996 gold output of local mining firms at 5.6 billion pesos (213.7 million US dollars), or 41.6 per cent more than the previous year's figure.

In contrast, domestic production of copper nosedived by 49.8 per cent in 1996 to 51,552 tons from 102,637 tons in 1995, the bureau said.

The lower output sent the country's copper revenues plunging by 51.5 per cent to 2.8 billion pesos last year from 5.8 billion in 1995.

Squatters cast a shadow on the Malaysian twin towers

Anil Noel Netto writes from Kuala Lumpur

Malaysia's economic boom has seen people flocking to urban areas in search of jobs and has sucked in migrant labour. But an increasing number of workers who have helped build the country's impressive growth rate, reports Gemini News Service, find they do not have a proper home.

It is given to low-cost housing," says campaigner Jubal Lourdes. "Priority seems to be given to money-making projects."

In a country of 20 million people, the presence of about three million foreign workers from Indonesia, Bangladesh and the Philippines has further stretched housing resources. These migrants live mainly in makeshift settlements or in overcrowded urban houses.

Many squatters live in deplorable conditions without proper sanitation. Plank houses huddled together pose a fire hazard while clogged open trenches holding waste water breed germs and mosquitoes.

The trenches sometimes overflow, flooding the settlements. In the Keningau district

of Sabah, a tropical storm in December swept away more than 500 squatter homes that had been built on dry river beds.

Residents of squatter settlements are mainly poorly-paid factory workers. Few can afford the 25,000 Malaysian ringgit needed for a low-cost home, and acquiring a housing loan is out of the question. Many are older workers who face a bleak future.

To encourage developers, Prime Minister Dr Mahathir Mohamad has proposed a two-tier pricing system. He says the prices of low-cost homes outside cities could be maintained at 25,000 Malaysian ringgit while those in urban centres could rise. "Land prices in towns are bound to go up," he

says. "The price of the land would be much more than 25,000 Malaysian ringgit."

Property developers, who have been pressured to build low-cost housing, have welcomed the proposal.

"It shows the government is aware that although construction costs differ slightly between states, there is a vast difference in land prices," says Zainal Abidin Zainuddin, Secretary-General of the Housing Developers' Association. He describes the move as timely, since inflation had doubled urban land prices in the past 20 years.

Social campaigners fear that the poor will be forced out of cities if the price of cheap housing rises. However, Mahathir maintains: "Even if the poor move out of the town areas, if they look after their area well, they will find that in time, towns will sprout up around them and the value of their properties will go up."

Critics are not convinced. "We want the government to ensure that the new prices are affordable to the lower-income

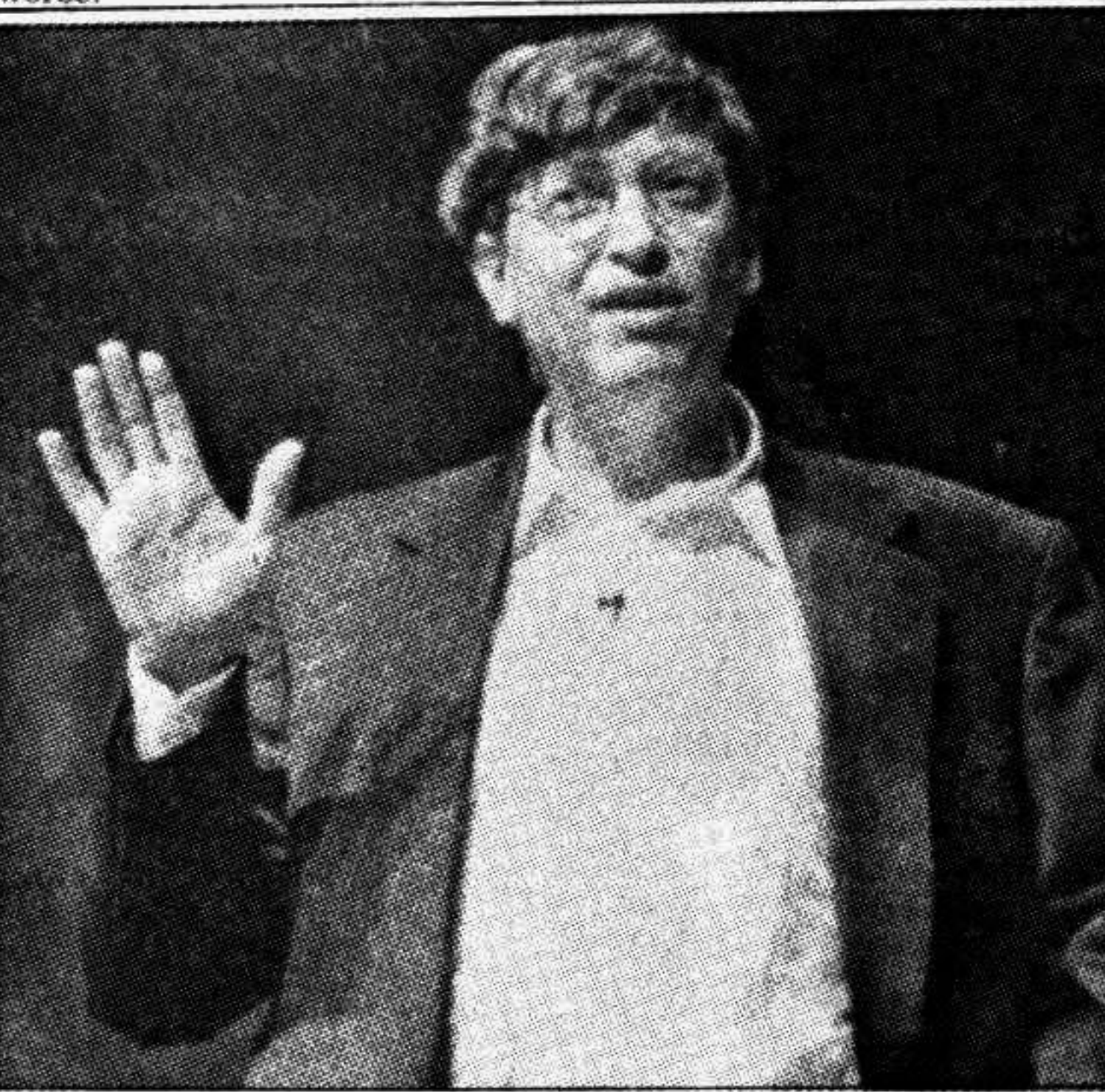
group," says Hamdan Adnan, President of the Federation of Malaysian Consumer Associations.

Wee Choo Keong, of the opposition Democratic Action Party, says: "Most housing projects will bring huge profits to the developers. They should be responsible enough to subsidise the construction of low-cost units."

Whether Malaysia can solve its housing problems will depend largely on the political will of the ruling coalition, which seems preoccupied with rapid industrialisation and prestigious projects.

Poorly-housed factory workers who have oiled the engines of growth are waiting to see if the rhetoric about housing priorities will be translated into reality.

Exchange rate: S1 = RM2.5
Anil Noel Netto is a freelance writer based in Penang. He also works on the editorial board of Aliran Monthly, an English language magazine focusing on political, social, economic and human rights issues in Malaysia.



Microsoft Chairman and CEO Bill Gates makes a point during a news conference in New York City on Thursday. Gates was unveiling the next generation software for office computers called Office 97. — Reuters/UNB photo

Thailand agrees expansion of Japan-ASEAN relations

BANGKOK, Jan 17: Thailand has agreed in principle to wide-ranging proposals for expanding ties between Japan and the Association of Southeast Asian Nations (ASEAN), a Thai foreign ministry spokesman said Thursday, reports AFP.

Surapong Jayanama said Hiroshi Hirabayashi, Special Advisor on foreign affairs to the Japanese Prime Minister, had been informed the issue would first have to be discussed within both the Thai cabinet and ASEAN.

Hirabayashi, in Thailand briefly before meeting President Fidel Ramos of the Philippines in Manila Friday, said five ASEAN leaders had accepted the principle of institutionalised summits. Surapong told reporters.

The Japanese advisor was visiting Thailand and the Philippines to inform them officially of proposals made by Prime Minister Ryutaro Hashimoto during a five-nation tour of ASEAN wrapped up Tuesday.

Japan's so-called "Hashimoto doctrine" calls for expanding talks beyond economics on everything from cultural ties and social welfare to security relations and cooperation against terrorism, pollution, aids and the narcotics trade.

During meetings with Thai Foreign Minister Prachub Chaiyasarn, Hirabayashi said the next step would be to work out a formula for implementation of the proposals, Surapong told reporters.

EC plans food safety unit

BRUSSELS, Jan 17: The European Commission is planning to separate responsibilities for food safety and agricultural policy following an internal review prompted by the row over the handling of the mad cow crisis, reports Reuters.

A commission spokesman said: Commission President Jacques Santer would announce the plans in a speech to the European parliament's committee of inquiry into the disease, bovine spongiform encephalopathy (BSE) late on Wednesday in Strasbourg.

The parliament is currently meeting in the eastern French city.

The parliamentary committee's draft report accuses the commission of trying to play down the dangers of BSE which caused consumer panic and a crisis in the beef industry when Britain announced last year that it could be transmitted to humans in the form of creutzfeldt jakob disease.

But the spokesman said the proposal to give separate commissioners responsibility for agriculture and food was not a response to the report but the result of the Commission's own review.

"The Commission has conducted its own internal review of BSE and the proposals arise

Chinese inflation predicted at under 6 pc

BEIJING, Jan 17: China's economic czar, Zhu Rongji, has added his voice to that of the state planning commission by predicting inflation at under six per cent for 1997, reports AFP.

In a Xinhua dispatch Friday, Vice-premier Zhu was quoted as saying that retail price increases would be lower than last year's 6.1 per cent at less than six per cent.

"We will continue to carry out a moderately tight monetary policy to further scale down inflation in 1997 and I am confident the rate will be low six per cent in the year," he said.

He also set a 120 billion yuan (14.45 billion US dollar) limit on note issuance for 1997, after notes issuance in 1996 was restrained at 91.7 billion yuan (11.05 billion US dollars) this year.

On Thursday, the head of China's State Planning Commission, Chen Jinhua, forecast 1997 inflation as lower than last year.

He said around three percentage points of the rise would come from disparities in supply and demand, which would be relatively small due to a predicted surplus of industrial products.

A further one percentage point rise would come from continuing price reforms aimed at slowly removing subsidies from goods such as coal, oil, transport and housing.

According to the State Statistics Bureau, China's retail price index rose 6.1 per cent in 1996, although the target rate had been set at a far higher 10 per cent.

The target inflation rate for 1997 will be set during the National People's Congress in March.