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# The Daily Star BUSINESS

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**HYUNDAI**  
CARS THAT MAKE SENSE

## Foreign investment in Myanmar reaches \$ 5.3 b

YANGON, Jan 31: Foreign investment in Myanmar reached \$ 5.3 billion US dollars in 233 approved projects by the end of 1996, a Myanmar official in charge of foreign investment said yesterday.

U Maung Maung Yi, Director-General of the Directorate of Investment and Company Administration of Myanmar Ministry of National Planning and Economic Development, told Xinhua that foreign investment was recorded at 2.1 billion US dollars in the first nine months of the 1996-97 fiscal year ending in March as compared with 660 million dollars in the same period of the previous fiscal year.

Oil and gas is on the lead with the largest investment of 1.5 billion US dollars in 31 permitted projects, he said, adding that the biggest pipeline project with investments from oil companies — Total of France, Texaco of the United States and PTTEP of Thailand — to transport gas from the Yadana gas field to Thailand is in progress as scheduled.

He said that foreign investment in the manufacturing sector overtook that in hotels and tourism.

He added that Singapore is leading with the highest investment amount of 1.2 billion US dollars, followed by Britain, Thailand and France.

He expected foreign investment in Myanmar to reach 6 billion US dollars by the end of the 1996-97 fiscal year.

## US, French cos sign deal with Myanmar agency

SINGAPORE, Jan 31: US oil giant Unocal Corp. and Total of France have signed a production-sharing contract with a Myanmar agency for exploration in the Andaman Sea off Myanmar, it was announced here Thursday, reports AFP.

Unocal will hold 47.5 per cent of the interest and Total, as operator, will hold 52.5 per cent in the venture, said a statement released by Unocal's Asia-Pacific office here.

The Myanmar Oil and Gas Enterprise (MOGE), which has the contract was signed, has an option to acquire 15 per cent interest which, if exercised, would reduce the other participants' interest, it said.

The exploration block covers 11,068 square kilometres (4,275 square miles) and is located within the Martaban basin, southeast of the Yadana natural gas field, the statement said.

"We are happy to expand our opportunities in Myanmar," said John Vandermere, Unocal vice president of new ventures in South and Southeast Asia.

Unocal is a co-venturer in the 1.2 billion US dollar Yadana natural gas project, which would bring natural gas to Thailand via a 450-kilometre (250-mile) pipeline.

Production is scheduled to start in mid-1998.

## Dollar rallies, gold falls in New York

NEW YORK, Jan 31: The dollar rallied against other major currencies Thursday, following a general tendency on other US markets and after an early drop due to a forecast of continued low US interest rates, reports AFP.

At 5:30 pm (22:30 GMT) the dollar was trading at 1.6365 German marks from 1.6325 marks earlier and 1.6435 marks late Wednesday, and at 121.85 yen from 121.43 earlier and 122.18 yen Wednesday.

Against other major European currencies, the greenback was trading at 5.5224 French francs from 5.5450 francs late Wednesday, 1.4238 Swiss francs from 1.4265 francs, and 6196 pound sterling from 6.1810 pound.

Gold fell 5.60 dollars from Wednesday to 346.20 dollars an ounce, due to rumors of sales by central banks, weak demand, and a belief that inflation would remain under control.

A drop beneath the psychological barrier of 350 dollars an ounce also accelerated sales.

Fred Bergsten, Director of the Institute of International Economics, said on Thursday in Davos, Switzerland, that American interest rates could continue falling in 1997 and even in 1998, and that the dollar, even if it gains in the short term, could continue to weaken another six to 12 months.

Alan Greenspan, Chairman of the US Federal Reserve said the consumer price index overstates inflation by 0.5 to 1.5 per cent year.

Greenspan's remarks dampened speculation about a possible imminent increase in interest rates.

A high-level official in the Japanese Finance Ministry, Eisukesakakibara, threatened to intervene in the currency market if the yen's fall against the dollar has a truly negative impact on the Japanese economy.

Traders awaited the Friday release of fourth-quarter US gross domestic product figures.

# Calcutta calls for Indo-Bangla cooperation in handloom sector

CALCUTTA, Jan 31: Minister in-charge of Cottage and Small Scale Industries of West Bengal, Pralay Talukder, has stressed the need for effective cooperation between Bangladesh and India in the greater interest of development of handloom industry in Bangladesh, reports BSS.

"The government of West Bengal is ready to extend all cooperation needed in this sector," he said when a five-member handloom delegation led by Chairman of Bangladesh Handloom Board Dilip Kumar

Biswas called on him at his Writers' Building office here yesterday.

The delegation now visiting India came to Calcutta on January 29 from Hyderabad. The members of Bangladesh handloom delegation, meanwhile, visited Fulia weavers co-operative societies in the district of Nadia and the handloom show room at Dakshinapan, Tanta and weavers services centre at Calcutta.

The members of the delegation were charmed by the innovative designs and high quality

of handloom products of West Bengal.

The technique of dyeing and method of using vegetable colours are in West Bengal excellent.

A proposal for mutual agreement in this regard will be sent by the government of West Bengal in due course.

The weavers of West Bengal would send a handloom delegation to Bangladesh very soon to explore the possibilities of mutual co-operation between Bangladesh and West Bengal in the field of handloom industry.

## India approves 142 foreign proposals

NEW DELHI, Jan 31: India on Thursday approved 142 foreign investment proposals worth nearly 57 million dollars, including bids by Korean firm LG Electronics and Matsushita of Japan to set up base here, reports AFP.

India's coalition government, which took office in June, has approved 950 foreign investment proposals involving a total of more than 542 million dollars.

## ANZ's taka credit card records good start

By Govinda Shil

The first taka credit card in Bangladesh, introduced by the ANZ Grindlays Bank under the Master Card and VISA brands, has recorded a good start with more than seven hundred subscribers within the first month of its official launching, sources at the bank said.

"We are really happy with the responses. It shows that a massive consumers' society is out there to accept this facility in local currency," said an ANZ official.

A credit card (CC) is a monetary instrument issued by banks or financial institutions that gives revolving loan facility to the eligible bearers. Although the CC is issued for an year but it revolves subject to fulfilment of the terms and conditions given by the issuer institution.

"We have targeted a number of consumer market segments including those Bangladeshis returned from abroad and those working in well-paid jobs in foreign and local companies and government services.

He further said that ANZ was also receiving queries from self-employed businessmen for whom it is an attractive feature for entertaining and travel within Bangladesh.

ANZ is issuing two different credit cards, 'Gold' and 'Silver' depending on the income and expenditure pattern of the holder. A 'Silver' card has a minimum credit limit of Taka 10,000 while the 'Gold' card of taka 100,000.

A cardholder can spend up to the available credit limit at any one time and given its revolving nature can redraw against this credit limit again after he or she repays all or part of the outstanding balance.

Each month a user will receive a statement from the bank which will detail the purchases and cash advances which he would make over the previous period.

Explaining the advantages of a Master or VISA card, another official said the cards

would remove the necessity for the consumer to carry large amounts of cash. It also offers cash withdrawal facilities from the ANZ branches, and if lost or stolen, could be replaced quickly following immediate report to the issuer bank.

More than 500 restaurants, shops, jewellers, hotels, departmental stores, electronics shops, hospitals are accepting Master Card and VISA in Dhaka, Chittagong, Sylhet and Cox's Bazar. Automated 'swipe card readers (CAT/CAP)' which remove the need to phone in for authorisation have been installed in Hotel Sonargaon, Sheraton and Aarong to bring down the response time for authorisation.

"The number of accepting outlets will be increased as the idea will be popularised over the coming few years," the official noted.

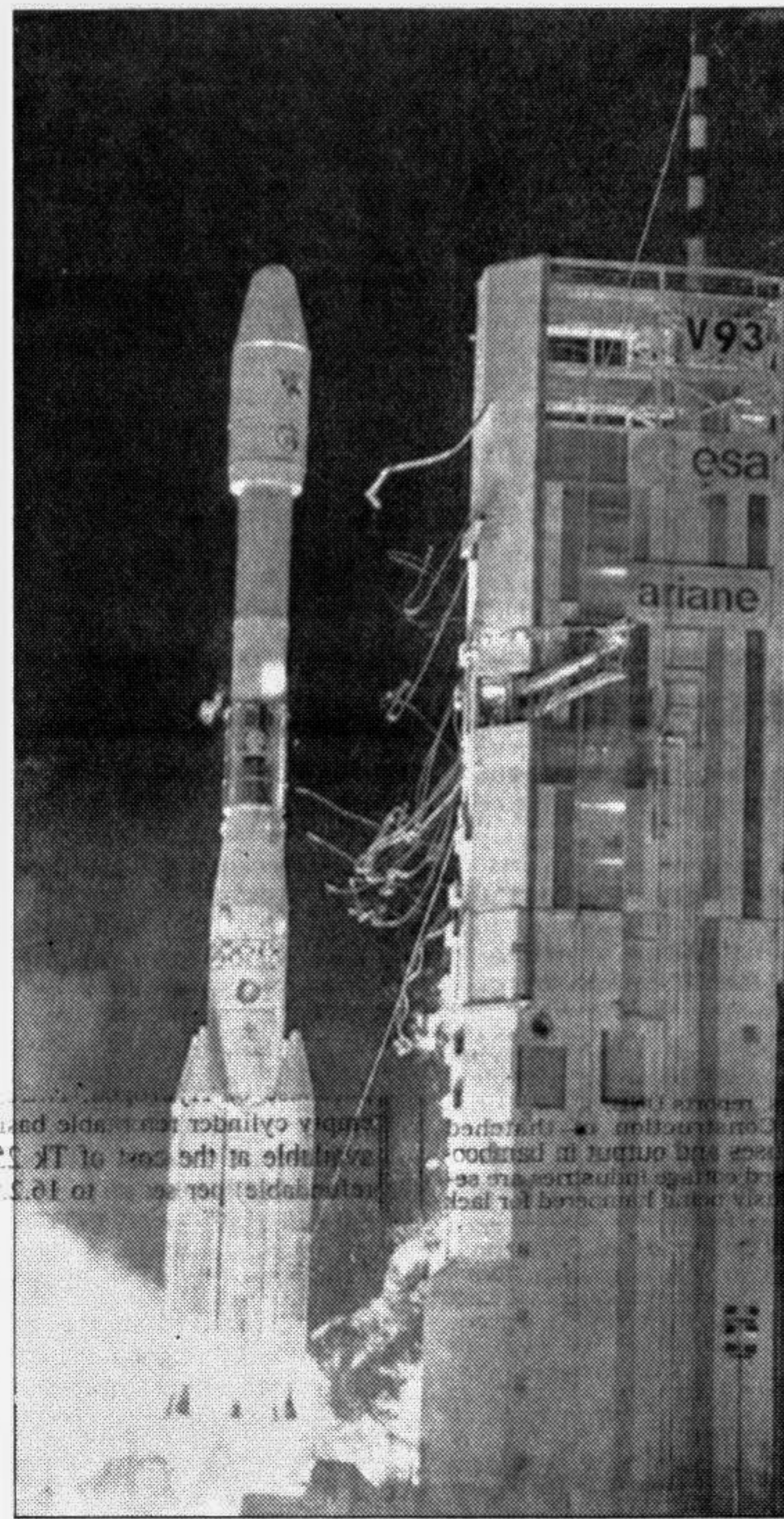
He said almost all the restaurants in Banani and Gulshan areas are presently receiving the CCs while city's major fashion and gift shops like Aarong and Kumudini are also welcoming.

ANZ makes a reasonable charge to the outlets for providing the services of accepting the CCs. It charges an interest of 2.5 per cent per month on the outstanding balance of the cardholder's account.

Unlike normal overdrafts, the interest calculation only starts 15 days after the statement date which, therefore, makes a potential of 45 days interest-free credit period.

"The credit card was helping to raise the number of our customers," said Bablu Dutta Milton of the Lily Jewellers at the Baitul Mokarram market in the city. He said that he had facilities for credit card holders of ANZ Grindlays and American Express Bank.

However, Milton said, there were some formalities to receive the cash from the issuer banks which required additional time.



An Ariane satellite-delivery rocket lifts off, from its launching pad to place the US GE2 and Argentine Nahuel-1A telecommunications satellites into geostationary orbit in Kourou, French Guiana, late Thursday. — AFP/UNB photo

COLOMBO: Travellers checks worth 760,000 dollars stolen from Sri Lanka's Central Bank after a devastating bomb attack last year have been traced to a suspect in India, police said Friday.

"Six suspects are in custody, and we are now closing in on the Bangalore guy with the assistance of the Indian police," T V Sumanasekera, a top police officer said. Bangalore is the capital of southern Indian state of Karnataka.

## Asia business briefs

SEOUL: Samsung Electronics Co. of South Korea said Friday that it plans to raise its stake and acquire 100 per cent of struggling US personal computer maker AST Inc.

Samsung has steadily increased its stake since it first bailed the loss-making company in August 1995. It now owns 49 per cent of the Irvine, Calif.-based company.

On Friday, Samsung said it will invest 469 million dollars more to buy the remaining 51 per cent.

Samsung is discussing its proposal with the other major stockholders. Its proposal calls for Samsung to pay 5.1 dollars for each share.

Nasdaq-listed shares of AST closed 12.5 cents higher Thursday ahead of the bid at 4.75 dollars on 154,200 shares traded.

TOKYO: Reflecting the continued sluggish economy in Japan, the nation's jobless rate remained at 3.3 per cent in December from the previous month, the government said Friday.

The total number of jobless stood at 2.08 million in December.

With the latest reporting month's figure, the agency said Japan's average jobless rate for the whole of 1996 stood at 3.4 per cent, up from an average 3.2 per cent in 1995.

The 1996 figure was the highest jobless rate since the agency began taking statistics in 1953, the official said. The previous record annual high was in 1995.

Japan's unemployment rate would be significantly higher if calculated by US or European methods. — Source: AP

# HK residents wondering how life will change after transfer

Fons Tuinstra writes from Shanghai

Hong Kong residents are wondering how life will change when the territory is handed back to Beijing in 1997. But economic shifts in China, reports Gemini News Service, are already beginning to affect Britain's last major colony.

From his new Shanghai office, Cheng can see the city's rapidly-developing skyline. "This is our future," he observes. "Our move from Hong Kong to Shanghai is part of an essential long-term strategy. We are setting up the basis for our company in the coming hundred years in China."

Philips has 22 joint ventures and 12,000 employees in China. "In Hong Kong I used to be an outsider, an onlooker," says Cheng. "Here in Shanghai I discovered how little I know about the mainland, although I'm a Chinese from Taiwan myself. By living on the mainland, you can understand its development much better."

Although Hong Kong officials acknowledge that the number of companies which moved their regional headquarters out of the territory rose last year, they say that even more companies moved in. But every company shifting its regional operations away from Hong Kong — most recently, Reuters news agency to Singapore — causes concern. "Hong Kong has never been a very logical place for trading with China," points out Nedlloyd's Poon.



Tung Chee-hwa: Selected as Hong Kong's first Chief Executive after the 1 July handover

## Micro-credit Summit begins tomorrow

WASHINGTON, Jan 31: Organisers of the upcoming Micro-credit Summit say they hope to launch a global movement to provide 100 million of the world's poorest families with access to credit and other financial services by the year 2005, reports AP.

More than 2,000 government and private-sector representatives from an estimated 100 countries will attend the event in Washington February 2-4. US First Lady Hillary Rodham Clinton, Prime Minister Sheikh Hasina of Bangladesh, President Alpha Oumar Konare of Mali, President Yoweri Museveni of Uganda and Queen Sofia of Spain are among the scheduled speakers.

Micro-credit programmes provide small loans to the very poor to help them start or expand small self-employment enterprises. The loans are usually for less than 1,000 dollars and sometimes for as little as 4 dollars. According to the World Bank, microenterprises are typically informal sector businesses with five workers or fewer and with fixed assets valued at less than 10,000 dollars.

"This summit represents a coming-of-age for the development community," organising committee member John Hatch said. "It is probably the largest humanitarian-inspired effort that is linked to business principles."

Hatch, founder of the Foundation for International Community Assistance (FINCA), was one of several organisers who spoke to reporters at a January 30 briefing to discuss the summit agenda and the "Declaration and Plan of Action" that participants will be asked to approve.

The document notes that despite impressive results in

countries like Bangladesh and Bolivia — and extremely low default rates worldwide — existing programmes reach only about eight million of an estimated 100 million families who could benefit from access to even tiny amounts of credit.

"Microfinance is one way to unlock the wealth that is present in even the poorest parts of the world — the self-initiative of poor men and women," said Michael Chu of ACCION International, a non-profit micro-lending programme that works throughout the Americas.

The goal outlined in the summit declaration and plan of action is to make microenterprise lending available to the remaining 92 million needy families — 88 million from developing countries and four million from industrialised nations. It defines the "poorest" families in the developing world as the bottom 50 per cent of those living below the poverty line. In industrialised countries, the plan of action focuses on all persons living below the poverty line.

The plan also pledges to target the world's poorest women, many of whom earn far less than their male counterparts and own no capital or land. Experts at the briefing stressed that providing credit to mothers is one of the most effective ways to alleviate poverty.

Overall, making credit available to an additional 92 million families will require an estimated \$21,600 million over the next nine years, according to the summit plan. It calculates that \$10,000 million would come from funds borrowed at commercial rates and from the savings of borrowers and others in their communities.

## Davos economic forum opens Global problems to be thrashed out

DAVOS, Switzerland, Jan 31: The global economic forum, where political and business decision-makers thrash out global problems and discuss their name cards opened Thursday in this popular Swiss ski resort, reports AFP.

About 1,700 heads of state, chief executives, officials, bankers, academics and scientists, have been invited to attend the event which runs until February 4 and which has become an essential diary event for the rich and powerful.

From Mongolia to Malaysia Asian figures loom large among the list of attendees. The high-profile include Indian Prime Minister H D Deve Gowda, Indonesia Foreign Minister Ali Alatas and Chen Jinhua, Chairman of China's State Planning Commission.

Others carrying weighty portfolios include Chen Ziyang, Vice-Minister of the Hong Kong and Macau Affairs Office, Amnuay Viravan, Thailand's Finance Minister, and Tran Xuan Gia, Vietnamese Minister for Planning and Investment.

Plenty of Asian industrial titans are at Davos — Indians and Indonesian businessmen are particularly thick on the ground — as well as entrepreneurs from booming emerging economies like China.

Surprisingly, there is one lone entry from trading tiger Taiwan, Myanmar and Laos are not sending anyone.

Mongolian Prime Minister Mendsaikhan Enkhsaikhan will be making the trek along with two members of parliament and Pyonyang is sending a four-member delegation led by Jim Jong U, Chairman of North Korea's Committee for the Promotion of External Eco-

nomie Cooperation. Weighty issues such as security in Asia, China's economic agenda and the Asian miracle are scheduled for discussion at the forum, which will also offer dinners hosted by Indonesia and India.

For those interested in more light-hearted matters, there is a session on Feng Shui, the Chinese Science of Geomancy, linked in for Monday. The incisive may be tempted by a session on "strategic schizophrenia."

Russian Prime Minister Viktor Chernomyrdin will address Thursday's opening session at 1800 (1700 GMT) and will spend his time in Davos briefing the curious on Russia's economic, social, and perhaps political situation.

A notable absentee is aspiring Russian presidential candidate General Alexander Lebed, who announced Wednesday he would not attend.

The forum takes off in earnest Friday with a full set of brain storming sessions. Sunday morning has been set aside for the sporty-minded to ski.

For world leaders, who are not bound to the forum's packed agenda, the real action will take place in the resort's five star hotels.

Israeli Prime Minister Benjamin Netanyahu is due to meet Friday with Swiss President Arnold Koller and on Sunday shake hands with Palestinian Leader Yasser Arafat and, separately, Egyptian President Mubarak.

The theme of the 1997 forum is "building a network society," but networking in the corridors between the world's movers and shakers is what the conference is really about.

## India to open govt debt market to foreigners

BOMBAY, Jan 31: The Securities and Exchange Board of India (SEBI), the country's market regulator, on Thursday announced foreign institutions will be allowed to invest in Indian government securities for the first time, reports Reuter.

The move to open up the government debt market to foreigners was announced in Bombay by the bourse watchdog along with a swathe of new rules governing share dealings including fresh regulations related to takeovers.

"We have to deepen and widen the debt market, Finance Minister P Chidambaram told a news conference in New Delhi.

The SEBI statement said Foreign Institutional Investors (FIIs) purchase of government securities would be subject to a cap within India's annual overall external commercial borrowing limit.

The SEBI announcement about Foreign Institutional Investors (FIIs) being allowed to invest in the debt market is an excellent decision. It will make it active. Problems of raising debt will come down drastically. Vijay Panday's chief dealer at Classic Share and Stock Brokers told Reuters.

"It's a move in the right direction. A sign of a positive mood. I expect a lot of money to flow into the country to buy debt. Sanjay Agarwal, chief executive at Lloyds Securities, said.

The market monitor also announced measures to streamline corporate takeover procedures.

SEBI said a takeover offer, for a minimum additional 20 per cent of a stock would become mandatory as soon as a shareholder's stake crossed ten per cent.

## US co to invest \$95m in Thai energy project

KUALA LUMPUR, Jan 31: Triton Energy Ltd has committed \$95 million dollars for developing gas and oil reserves in the Gulf of Thailand this year, a statement from the US company said Friday, reports AP.

Last year it spent \$52 million dollars in the same area.

Among other things, the money will be used to develop the Cakerawala Field, the first of four natural gas fields discovered by Carigali-Triton Operating Company in an area being jointly developed by Thailand and Malaysia.

CTOC is a joint venture between the US company and Malaysia's national oil company, Petronas.

The Triton statement, issued through Malaysia's official news agency Bernama, said the company will also carry out exploration, drill an exploratory well and further survey the block.

CTOC's activities are in Block A-18 of the Thailand-Malaysia Joint Development Authority, which was set up by the two governments more than a decade ago to jointly exploit oil and gas in the border areas of the two countries.

## Citicorp's net income rises

NEW YORK, Jan 31: Citicorp reported that net income in the 1996 fourth quarter and full year was 987 million dollars and 3.8 billion dollars, both up nine per cent over the comparable 1995 periods. Earnings per fully diluted common share were 1.97 dollars and 7.42 dollars, both up 15 per cent over the 1995 periods, says a press release.

John S. Reed, Citicorp Chairman, said: "We continued to produce strong financial results with excellent returns. At the same time, we invested in our growing franchises, in line with our Business Directions strategy of serving corporate and consumer customers around the world."

Excluding the previously disclosed 64 million dollars pretax Savings Association Insurance Fund, or SAIF, assessment and the 55 million dollars pretax charge for performance-based options, the 1996 full year results represented earnings per share of 7.57 dollars and achieved the following against Citicorp's Business Directions performance targets: a 12 per cent earnings gain, a return on common equity of 20.8 per cent, a ratio of incremental revenue to expense of 2.0 to 1 (1.9 to 1 without the exclusion of the charges), and generation of an estimated three billion dollars of free capital. During the quarter, the company generated an estimated 0.8 billion dollars of free capital and repurchased 8.1 million shares of common stock for 820 million dollars.

Tier 1 capital was 19.8 billion dollars, total capital was estimated at 28.9 billion dollars, and the Tier 1 and total capital ratios were estimated at 8.4 per cent and 12.2 per cent, respectively.

offered an alternative to Hong Kong. But now Shanghai is developing into that alternative. Yes, Hong Kong is going to lose trade, but to Shanghai rather than to Taiwan.

Yet another danger is lurking for Hong Kong, says Japanese economist Mariyuka Nobuo of the Asia Economic Institute. China's leaders are emphasising domestic development rather than exports. Guangdong province's industrial development, for example, had at one time been geared towards exports, but was now focusing more on consumer durables and machinery for the home market.

Furthermore, China's recent "Strike Hard" anti-crime campaign had put a slight brake on Hong Kong trade by curbing smuggling from the mainland. This has cut exports from booming Guangdong Province by 10 per cent.

If any one of these changes had arrived on its own, Hong Kong might hardly have noticed. But together they offer a serious challenge, at a time of concern for democracy in the period of political change that will follow the handover — Gemini News Service.

(Fons Tuinstra is a Dutch journalist based in Shanghai)