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HYUNDAI
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Lanka announces final amnesty to tax evaders

COLOMBO, Feb 14: The Sri Lanka government Thursday announced a "final" six-month amnesty to tax evaders to bring out their undisclosed cash held within the country or abroad, reports AFP.

"No questions will be asked (about) the source of funds and the declarant will be pardoned for past tax evasion and non-compliance with statutory obligations," the government said in a statement.

It said black money held abroad will have to be brought into the country and deposited in a special account with the government's national savings bank and withdrawals for two years will be restricted.

The money can be taken out of the account in the first two years only for specified investments in agriculture, industry or infrastructure projects, the statement said.

It did not give an estimate for the amount of black money in the country but said the government's offer of the amnesty was designed to flush out hidden money and help create jobs with it.

At the end of the amnesty, the government will crack down hard against tax dodgers and those who were illegally holding money abroad, the government said.

Dollar rises against yen

TOKYO, Feb 14: The US dollar rose against the yen on Friday, reports AP.

In late afternoon the dollar was trading at 124.64, up 0.54 yen from late Thursday in Tokyo and also above its late New York overnight rate of 124.35 yen. It ranged between 124.26 yen and 124.82 yen in Friday's trading.

Traders said the dollar advanced on buying by Japanese banks and institutional investors as the growing US economy and continued rallies on Wall Street combined to attract yen-sellers.

The market wants to test the G-7 statement to see whether there will be action or not," said Shinji Imanishi, chief dealer at Sumitomo Trust and Banking.

Finance officials of the Group of Seven industrialised nations, meeting in Berlin last Saturday, agreed that the dollar's surge has gone far enough. They warned against excessive volatility in exchange rates. The benchmark No. 182 10-year Japanese government bond closed at 104.37 yen, down from Thursday's 104.48 yen close.

Malaysia to sign 'open skies' pact with US

KUALA LUMPUR, Feb 14: Malaysia said Friday it will sign an 'open skies' agreement with the United States in May, lifting restrictions on flights by each other's airlines between the two countries, reports AP.

Malaysian Airlines, whose US-bound flights are currently limited to Los Angeles, would be allowed to fly to New York, Washington or other cities, said Transport Minister Ling Liong Sik.

US carriers could fly to more Malaysian destinations and compete in the busy Kuala Lumpur-Singapore corridor, Ling said, according to the Bernama news agency. Singapore already has signed an 'open skies' agreement with the United States.

The agreement is intended to increase competition and force down prices.

The Malaysian carrier also would be allowed to sell tickets on behalf of US airlines, Ling said. It flew 90 miles (150 kilometres) north of the Malaysian capital.

There was a day when bare necessities of human life used to be met by productions made by crude methods. Such productions were community-based but at domestic levels. The tools of production were manually manoeuvred and nobody bothered about the quality of the end product. There was no notable variation even in the taste of the consumers.

Sooner or later mechanical devices began replacing manual ones. The innovative human being devoted more time on creative thinking and by the end of the seventeenth century during the industrial revolution, machines began replacing men from some of the chores of production. The aspect of efficiency in the industrial world was invariably tied to the output by increased human labour. The advent of machine was one hand, the inevitable product of innovative ideas of men and on the other, it had set in a state of competition for marketing larger volume of production. In consequence whereof, the consumers too stood face to face with a number of variables and for exercising wider options.

Initially, the machines saved human labour to some extent but they could not ensure product-sophistication which came gradually from the beginning of the 18th century. Though not compatible because of their respective independent identities, the eventual increased production with the aid of better and better machines,

Unocal joins Occidental in gas exploration in Sylhet

By Sharier Khan

Occidental Petroleum Corporation and Unocal Corporation of USA last month signed an agreement between their subsidiaries which provides for the transfer to Unocal of a 50 per cent interest in Occidental's production-sharing contracts (PSCs) for hydrocarbon exploration covering three million acres in the Surma basin, official sources said.

Occidental is the operator for Blocks 13 and 14, where the Jalalabad field has been partially delineated, and Block 12, which is adjacent to several gas fields operated by Petrobangla. Occidental holds the remaining 50 per cent interest in the production sharing contracts.

A gas purchase contract with Petrobangla for the initial delivery of 100 million feet per day of natural gas from the Jalalabad field was signed in November 1996.

Under the terms of the PSC, the joint venture plans to drill delineation or development wells and construct production facilities in the Jalalabad field over the next two years.

Production is targeted to be-

gin in mid-1998. In addition, the joint venture will drill four exploration wells in the area covered by Blocks 12, 13 and 14 over the next three years.

The co-ventures believe this is a very promising natural gas area with a significant known resource that is linked to a ready market. Natural gas demand in Bangladesh is expected to more than double from its current level over the next 10 to 15 years.

The government signed two PSCs with Occidental in December 1994 following two years of negotiations. Occidental conducted detailed seismic survey in the Surma basin afterwards. It had, last year, proposed the government to set up a power plant.

With approximately 6,000 employees, Occidental Oil and Gas Corporation is headquartered in Bakersfield, California, and has production in 11 foreign countries, exploration projects in 25 foreign countries and production and exploration operations in the Continental United States and the Gulf of

Mexico.

During the past three decades, it has discovered more than 11 billion barrels of oil equivalent and has completed major development projects in record time in such diverse environments as the Libyan and Omani deserts, the North Sea, the jungles of Peru and Ecuador and the Llanos floodplain of northern Colombia, according to the official documents of the Occidental.

Occidental focuses its exploration internationally on prospects in Africa, Europe, Latin America, the Middle East, Russia and Southeast Asia. In the United States, its focus is the onshore Gulf Coast region and the Gulf of Mexico.

Internationally, Occidental is the operator for gross production of more than 500,000 barrels of oil equivalent per day, with the company's share 235,000 barrels per day in 1995. Occidental has more than 50 million acres of exploration prospects under contract.

In addition to its traditional exploration and production,

Occidental in recent years has developed an enhanced oil recovery (EOR) programme that represents significant long-term potential. In EOR projects, the company employs its extensive geological, engineering and drilling experience and state-of-the-art technology to help countries substantially improve production and reserves of under-developed fields.

Occidental has EOR projects in Qatar, Russia and Venezuela and expects to add more.

In the United States, Occidental has major, long-lived producing fields in California, Kansas, Oklahoma, Louisiana, Mississippi and Texas and a significant position in the Gulf of Mexico. Occidental's net US production in 1995 was 173,000 barrels of oil equivalent per day, about two thirds of that from natural gas. Occidental is the third-largest producer in the giant Hugoton field, which encompasses portions of Kansas, Oklahoma and Texas and is the largest gas field in North America.

Asian stock markets close lower

HONG KONG, Feb 14: Asian stock markets ended the week generally lower Friday, but the major indexes rose in Tokyo for the fourth consecutive day, boosted by a new high overnight on Wall Street, reports AP.

Tokyo's 225-Issue Nikkei Stock Average closed with a gain of 33.94 points, or 0.18 per cent, at 18,722.00.

In the previous three trading days, the average had gained a total of 821.02 points, including Thursday's climb of 278.10 points, or 1.51 per cent.

Traders said investors were encouraged by the Dow Jones industrial average closing above 7,000 points Thursday for the first time ever. The Dow finished at 7,022.44.

But buying of blue-chip electrical, auto and telecommunications issues pushed the key

indexes higher, traders said.

The broader Tokyo Stock Price Index of all issues listed on the first section was up 7.09 points, or 0.51 per cent, to 1,389.88.

TAIPEI: Share prices closed lower on profit-taking after eight straight sessions of gains. The market's key Weighted Stock Price Index fell 36.77 points to 7,499.51.

WELLINGTON: New Zealand share prices closed lower in moderate trading. The NZSE Top-40 Index fell 15.97 points to 2,323.18.

MANILA: Share prices closed lower. The Philippines PSE index of 30 selected stocks fell 13.43 points to 3,322.30.

SYDNEY: Australian share prices closed mostly lower in hectic trading, with investors

taking profits after recent strong gains in the market. The All Ordinaries Index fell 13.8 points to 2,482.6.

SEOUL: Share prices closed mixed in relatively active trading. The Korea Composite Index rose 4.29 points to 721.00.

SINGAPORE: Share prices closed mixed. The Straits Times Industrials Index fell 2.22 points to 2,252.46.

KUALA LUMPUR: Malaysian share prices closed mostly higher, but the key index fell because of declines in some blue chip stocks. The Composite Index fell 12.19 points to 1,246.91.

BANGKOK: Thai share prices closed higher. The SET index rose 15.42 points to 713.48.

JAKARTA: The stock exchange's Composite Index fell 2.893, closing at 704.476.

Fastest 1000-pt rise in index Dow Jones crosses 7000-point mark

NEW YORK, Feb 14: The Dow Jones industrial average broke 7,000 for the first time Thursday, marking the fastest 1,000-point rise ever and yet another milestone in one of the most powerful bull markets in history, reports AP.

A strong performance brought the 30-stock average as high as 7,040.91 before closing up 60.81 at 7,022.44. The index crossed 6,000 only four months ago and its current historic lift followed a 104-point surge Wednesday, its fifth-biggest gain in points ever, and a 52-point run Tuesday.

People on the floor of the New York Stock Exchange greeted the 7,000 mark with cheers and applause. At the closing bell, some could be seen holding up seven fingers to mark the event.

Passing through 1,000-point barriers used to take years, if not decades. But as the market roared ahead, it required less of a percentage leap. For example, the 25 per cent rise from 4,000 to 5,000 took nine months and the jump from 5,000 to 6,000 — only a 20 per cent advance — required 11 months. The latest 1,000-point advance was just a

17 per cent gain.

Driving prices has been excitement among investors, who have continued to pour money into the market, about strong corporate earnings and data suggesting the economy is not growing too fast. That could trigger inflation, which would likely prompt the Federal Reserve to raise interest rates.

In fact, the Fed decided just two weeks ago against such a move. Higher rates are designed to slow the economy, which would tend to reduce corporate profits. Profits, of course, are a primary driver of stock prices.

Also critical to the market's run, however, is overall psychology. Investors seem convinced the stock market can go nowhere but up, despite several stumbles so far this year.

Other market indicators set records as well today. The Standard & Poor's 500-stock index and the New York Stock Exchange composite index surged beyond all-time highs reached Wednesday.

The technology-heavy Nasdaq composite index remained a bit below its prior record, reached last month.

Stock market to take care of itself: Clinton

WASHINGTON, Feb 14: President Bill Clinton on Thursday said the surging US stock market should be allowed "to take care of itself" because US economic fundamentals are strong, reports AFP.

"The market has produced a remarkable growth, but the economy is growing," Clinton said at a news conference on a day when the Dow Jones industrial average broke through the 7,000 barrier for the first time.

"Obviously the concern is... are the returns to stocks, returns to investment greater than can be justified based on the productivity and profit prospects of the companies that are being traded."

But making clear he was unconcerned by the market pace, the president noted that as stock prices have soared, the United States has enjoyed stable growth in the absence of inflation.

"One people say, 'well, gosh we don't want another 1987 here,'" a reference to a dramatic plunge in equity values in October of that year.

"But even after 1987, we had a rather rapid rebound in it. So I think that I need to be to try to work on keeping the economy healthy."

Taiwan president to take 25pc pay cut

TAIPEI, Feb 14: Taiwan President Lee Teng-hui, one of the world's highest paid heads of state, will take a voluntary 25 per cent pay cut, the government said Thursday, reports AP.

Lee, who makes 357,818 US dollars a year, requested a permanent reduction in pay along with Vice-President Lien Chan, said the Government Information Office.

No reason was given, but the cuts will be accompanied by pay increases for lower-level government officials, the office said. The legislature must still approve the cuts.

Lee in future will receive 268,363 dollars, for less than the 907,143 dollars earned by Singapore Prime Minister Goh Chok Tong, but still more than US President Bill Clinton's 200,000 dollars.

Lien, who also serves as Taiwan's premier, will go from 269,018 dollars to 201,763 dollars.

Lee reported assets worth 1.48 million dollars in 1996, including bank savings, securities holdings and a golf club membership.

Lee has said Taiwan's government has been generous to its presidents.

Business leaders meet Feb 24

Sharif seeks ways to revamp Pak economy

ISLAMABAD, Feb 14: Pakistan's prime minister-designate Nawaz Sharif has called a meeting of industry and business leaders later this month to discuss ways to revamp the economy, a spokesman said yesterday, reports AFP.

The meeting will be held here on February 24, a week after Sharif is sworn-in as prime minister, Binyamin Rizvi told reporters in Lahore.

Rizvi said the Pakistan Muslim League — right-of-centre party led by Sharif, himself an industrialist — would take some "significant" steps.

The party swept the February 3 elections triggered by the November 5 dismissal of former prime minister Benazir Bhutto by President Farooq Ahmed Leghari on charges of corruption and misrule.

Leghari, while sacking Bhutto, blamed her government for bringing the economy to the verge of collapse.

The interim government that replaced the Bhutto administration claims to have shored up the economy through spending cuts and introducing reforms urged by the International Monetary Fund (IMF).

Foreign exchange reserves which had slid to 700 million dollars are said to have been increased to 800 million dollars by the outgoing caretaker government.

Sharif said his government would implement the commitments made by the interim government to the IMF, which include reducing budget deficit from the previous six per cent of gross domestic product to four per cent.

Seeking support from affluent overseas Pakistanis, he has appealed to them to remit at least 1,000 dollars each into their own accounts to give a boost to the economy. The appeal has evoked good response, party officials said.

Indian economy may surpass 7pc growth estimate

NEW DELHI, Feb 14: India's economy is likely to surpass previous estimates of 6.8 per cent growth in the current fiscal year, Planning Minister Yogenra Alagh said yesterday.

Now the estimate is 6.8 per cent, in fact, it is likely to be exceeded when the final estimates come in," Alagh told Reuters in an interview.

"It will be 6.8 per cent plus, not less," Alagh said.

Last month the Planning Ministry said in a provision forecast that 1996/97 (April-March) GDP growth, adjusted for inflation, was estimated at 6.8 per cent.

GDP grew 7.1 per cent in the previous fiscal year.

The stronger than expected growth rate in the current fiscal year will be a vital shot in the arm for Prime Minister H D Deve Gowda's government before the presentation of the 1997/98 federal budget on February 28.

Alagh said he did not agree with criticism that the government had been too ambitious in its GDP estimates.

People have been very unfair to us by criticising this," Alagh said, adding that the estimates were based on published figures.

He said the norms were established by an independent body headed by a non-government economist.

The minister said revisions in statistical estimates are a standard practice and there was nothing wrong in it.

Alagh called the GDP growth estimate of 6.8 per cent "a conservative estimate" and noted that agricultural output was higher this winter compared with last year.

The manufacturing sector in the first six months of this year has grown by 12 per cent, which is the same as the last year," Alagh said.

"The industrial growth rate is slightly lower than the manufacturing growth rate because electricity production growth has been lower this year."

The index of industrial production increased by 9.8 per cent during April-October 1996, compared with 11.7 per cent in the same period in the previous year.

North Korea claims surge in industrial output

TOKYO, Feb 14: North Korea's official radio claimed Friday that the country had seen a surge in industrial production in early February, and credited the fact to leader Kim Jong Il's "wise guidance," reports AP.

The broadcast, monitored by the Radiopress agency in Tokyo, said industrial production in the first part of February was 1 1/2 times production in the same part of January.

It said farmers were preparing fertilizer to "produce a bountiful harvest of meat and grains this year."

"These successes are the result of the wise guidance of the great leader comrade Kim Jong Il, who at the vanguard has thrust aside the severe difficulties of the revolution, the radio report said.

All defectors from the isolated Stalinist state have described severe food shortages and factories are said to be stopped because of power shortages.

The report didn't mention Hwang Jang Yop the high-ranking North Korean official who sought asylum in South Korea this week. However, it said the higher production was the "no-blessed fruit of the patriotic dedication and limitless faith of the party members and workers."

Hwang remains at the South Korean consulate in Beijing while the Chinese government decides whether to let him go to Seoul.

ASEAN, EU pledge to boost cooperation

SINGAPORE, Feb 14: Foreign ministers from 15 European and 10 Asian nations held a flurry of bilateral meetings Friday ahead of a day of political and economic negotiations between their two regions, reports AP.

The seven-member Association of Southeast Asian Nations wrapped up two days of talks with their EU opposites by issuing a lengthy declaration committing themselves to boost economic and political cooperation, officials said.

They agreed to step up cooperation "on issues of peace and security, the environment and sustainable development, trade and investment (and) human rights," said the statement.

ASEAN and the EU turned a corner of sorts: they agreed to disagree publicly on the role of human rights in their joint pursuit of ever bigger trade figures. That issue had threatened to spoil the meeting.

On Saturday, the foreign ministers from the EU and the seven Association of Southeast Asian Nations — Indonesia, Malaysia, Singapore, Brunei, Thailand, the Philippines and Vietnam — will be joined by their opposites from China, South Korea and Japan for wider Asia-Europe talks.

In their declaration, the EU and ASEAN pledged to deepen economic relations, building on two-way trade that has soared to almost 100 billion dollars in 10 years, double that in 1989.

"As the potential to further increase this is tremendous, we agreed that there should be mutual efforts to improve market access and... the free flow of goods and services," the statement said.

Jobless claims fall in US

WASHINGTON, Feb 14: Initial claims for regular state unemployment benefits in the United States fell 15,000 to a seasonally adjusted 309,000 for the week ending February 8, the Labour Department reported yesterday, says AFP.

It was the third consecutive weekly decline in jobless claims, which are now at their lowest level since the week ending July 27, 1996.

The consensus forecast from Wall Street economists had been for claims to rise 10,000 to 335,000.

Jobless claims for the week ending February 1 were revised to a decrease of 13,000 to 324,000 compared with the initial estimate of a fall of 12,000 to 325,000.

ISO-9000 — a unique pledge to uniform quality standard globally

By M Mosharraf Hossain

There ensued an increased co-ordination between man and machine. The consequential industrial growth gave rise to a demand for higher wages which meant escalation in the cost of production. Such a situation necessitated further improvement in the productive machines so as to offset higher cost of production by more production or else the industrialists of the time would not survive in competition. Let alone their chance of getting any profit out of their investment.

The process of automation thus set in, augmented production manifold and by 1930 it rose to such a dizzy height that it could not be effectively sustained unless a sound and cohesive base for mass consumption was found. Huge stock-piling of finished products started forming part of costly inventories. Such a bewildering situation generated idea of tying it with better distribution techniques suited to the respective products and markets.

The sequence of events led to making both quantitative and qualitative market study with a specific objective of achieving the lowest possible cost level for production and sales.

The mass consumption base was thus, by and large, established as a result of improved

distribution techniques whipping up customer demand. Simultaneously, with growing competition the businessmen started realizing that they would not be able to sustain themselves for long or go for expansion if customer complaints remained unresolved.

Parallel to the phenomenon above, the rapid mechanisation created pressures on the methods of production as well so as to ensure retention of a minimum variation in quality. Numerous ancillary industry networks also faced elimination if they failed to strictly adhere to the specifications of the OE plants. Mass production during the second half of 19th century and early 20th century, clearly indicated that it was compatible only with mass consumption. The latter in turn, was considered to be unsustainable without caring for in built quality of the products. It was realized by all those involved in production and distribution that the element of quality was the major catalyst to integrate the interests of both the producer and consumer on an even keel.

Inevitably, the emerging emphasis on quality pre-supposed effective planning, development, maintenance and improvement to be attained at a most economic level for full

satisfaction of the customer.

Following the second World War a significant change in the scale and diversity of industry started taking place rapidly. The process of production was segmented in such a manner that no body wielded control on the end product other than on his/her own assigned part of responsibility. Such integration of the process necessitated detailing inspectors at different work locales who used to examine the work and segregate good from bad for ultimate rectification. This was an inseparable part of the whole process of industry and was naturally not cost effective.

Industrial engineers and economists have recently realised that the process to produce, inspect, accept, reject or rectify that formed the basis of any industry till recently could be summarily changed or avoided. But how? After a thorough examination of the prospects they concluded that a consistent quality at optimal cost could be most potent answer to the problem. They were fully convinced that for the desired and consistent quality it would be necessary to produce it right the first time and every time without any distortion in

the process of replication. The concept of internal customers emanated at this stage wherefrom the operators assumed full responsibility to produce the exact quality goods for meeting customers' satisfaction. And eventually, the rigmarole of sorting out good from bad would be eliminated.

Still then, things could not be so easy as imagined. Startling technological advances and changes in rapidly parallel to the expansion in the size and dimension of the industry after the 2nd World War, the manufacturing operations also became more complex and bewildering practically. This was the time when the entrepreneurs of industries in the Western world, chiefly in the United States of America began loudly feeling the urgent necessity of a standardized quality system. An immediate attempt in the United States saw the emergence of a quality system standard and an inspection system standard. They were codified as MIL-Q-9858 and MIL-Q-45208 respectively which being military standards for all practical purposes, formed the basis for a three standards series designed for use by NATO. They were designated as Allied Qual-

ity Assurance Publications — Codified as AQP 1, 4 & 9.

Great Britain followed suit. Soon they developed the equivalent Defence Standard like DEF STAN 05-21, manufacture, inspection and test standards (DEF STAN 05-24) and final inspection standards (DEF STAN 05-29) — all these corresponding to US standards AGAP-1, AGAP-4 and AGAP-9 respectively. The benefits eventually encouraged the proponents in Britain to redesignate them as BS-5750 (Pt I, II & III) in 1979 for use in industry besides defence.

The importance of a standardized quality system needs hardly any over emphasis. However, its global perspective was not so very palpable till late seventies even though the British standards made a remarkable breakthrough in the Indian sub-continent and many of the Commonwealth countries.

Taking cue from the British standards (which not only met the needs of the United Kingdom but also those of other countries) the International Organisation for Standardization (ISO) Geneva came up with a quality system standards coded as ISO-9000 series standards. In the series there are five specific areas those are taken care of. They are:

ISO-9000: It stands for quality management and quality assurance standards providing guidelines for selection and use;

ISO-9001: Relates to quality systems vis-a-vis, model for quality assurance in design/development, production, installation and servicing;

ISO-9002: It pertains to quality systems but confines only to model of quality assurance in production and installation;

ISO-9003: It is with regard to quality system model for quality assurance in final inspection and test; and

ISO-9004: Pertains to quality management and quality system elements with guidelines.

Although the embodiment of ISO-9000 quality standard norm has not been very popular with most of the manufacturers in the Third World over the past years, at least some imaginative persons in industry have taken pioneering role in our country. Such a new strategic stance is obviously the inevitable outcome of the realization that in the face of ever growing competition all over the world as of now, adhering to the international quality standard is a sine qua non for survival.

meeting in Singapore of a few thousand representatives of 182 countries, organised under the aegis of the World Trade Organisation (WTO) one of the major resolutions was for a "World Class Uniform Quality Standard". It was unanimously agreed that by the first decade of the 21st century all companies of the world involved in export-import trade or who shall enter into joint ventures with foreign collaborators must adopt ISO-9000 quality standard norm forthwith or else their chances of survival will be at stake.

ISO-9000 certification will automatically ensure product acceptance from the point of quality throughout the world among the competitors. Besides incorporation of ISO-9000 standard to their system will augment a company's capability at optimising its entire gamut of production, procurement, distribution, sales and marketing, accounts, quest for searching and other related activities at reduced cost with higher profit. It is indeed an effective and important tool for total quality management recognised universally and having direct relevance to all types of business irrespective of its being a manufacturing industry or a service organisation or even a trading and commercial establishment. In fact, it helps establishing linkage with the quality needs of the customers and for