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# The Daily Star BUSINESS

DHAKA SUNDAY, JUNE 15, 1997



HYUNDAI

CARS THAT MAKE SENSE

## India gets \$ 165m WB loan to fight against malaria

WASHINGTON, June 14: The World Bank has lent 165 million dollars to the Indian government for its fight against malaria, bank officials said Friday, reports AFP.

India plans to detect malaria earlier, develop insecticides and other chemical weapons against the mosquito population which spreads the disease, and educate the public on prevention.

About three million people in India are stricken by malaria every year and more than 200 million people live in high risk areas for the disease, which kills nearly 3.5 million people worldwide every year.

## China's exports up 26pc in 5 months

BEIJING, June 14: Chinese exports totalled 654.8 billion yuan (78.9 billion dollars) from January to May, up 26.4 per cent from the same period last year, a newspaper reported Saturday, according to AP.

Imports fell 1.2 per cent to 515.6 billion yuan (62.1 billion dollars), leaving a trade surplus of 139.2 billion yuan (16.7 billion dollars), the People's Daily said.

Exports of machines, electronics, garments, textile yarns, footwear, toys, plastic products, crude oil and grain all recorded gains of at least 20 per cent, according to another newspaper, the China Daily.

Another report says: Profits were down and losses up at state-owned Chinese industries in the first four months of 1997, the officials Xinhua news agency reported Saturday.

Profitable industries reported revenues of 2.57 billion yuan (309 million dollars), down 32.9 per cent from the same period last year, the agency said.

In a separate report, it said money-losing industries racked up losses of 2.58 billion yuan (310 million dollars) in the same period.

## 'Myanmar's entry into ASEAN to help stability in SE Asia'

YANGON, June 14: A top member of Myanmar military regime has denounced opponents of the country's entry into ASEAN and says that membership will help stability in South-East Asia, reports AP.

Despite international protest, the Association of South-East Asian Nations will make Myanmar, a full member in July, along with Cambodia and Laos.

Lt. Gen. Khin Nyunt, speaking to an ASEAN committee meeting in Yangon, was quoted in official newspapers Saturday as saying the opposition came from foreign countries and internal "ax-handlers" - local jargon for traitors.

The term is often applied to Aung San Suu Kyi, winner of the Nobel Peace Prize and leader of Myanmar's pro-democracy movement. She says ASEAN membership supports a regime that gives no sign of ceding power to democratically elected leaders.

"Although Myanmar is not economically strong, it is rich in natural resources," Khin Nyunt said. "With technical support and assistance by other ASEAN members, Myanmar will achieve development and contribute to progress and stability in the region."

## Japan to host 2005 World Fair

MONACO, June 14: Japan won the contest to host the 2005 World Fair on Thursday, organisers announced, reports AFP.

The Japanese prefecture of Aichi had been in competition with the Canadian city of Calgary for the right to host the event. The decision was announced after a meeting of the International Exhibitions Bureau in Monaco.

The Japanese site was chosen by 52 votes against 27 for Calgary.

The fair is to be held in the city of Seto, northeast of Nagoya, which has a population of 130,000.

The Japanese government has agreed that construction costs of the World Fair, estimated at up to 120 billion yen (1.2 billion dollars) should be borne equally by the state, the local administration and the private sector.

Calgary had lobbied for the right to host the fair under the theme "The earth, ours to share," while Aichi labelled their bid "Technology, culture and communication, to create a new global community."

The announcement is good news for Japanese businesses who strongly backed the candidacy of Aichi, 200 kilometers (120 miles) southwest of Tokyo.

Some 200 Japanese waved their national flags outside the Monaco Conference Centre where the decision was announced.

## Proposed budget draws mixed reaction

Different political parties, trade bodies, student organisations and associations expressed mixed reaction Friday to the proposed national budget for the fiscal 1997-98, report agencies.

**Workers Party**  
Politbureau of the Workers Party of Bangladesh, while expressing its reaction, termed the national budget as a "document of continuous injustice" to the productive sectors including agriculture and industry.

The budget has expanded tax tariff and VAT net instead of enhancing efficiency in the productive sectors for economic development, it said.

Investors Forum Sylhet, Bangladesh (IFSB) Chairman Shekil Chowdhury congratulated the Finance Minister Shah AMS Kibria for eliminating various quotas in initial public offerings (IPOs) and increasing reserve quota for non-resident Bangladeshis from 5 per cent to 10 per cent.

He also thanked the minister for proposing to set up a specialised bank for employing youths and introducing superannuation allowance for uncared poor elderly people.

**JSD (Rob)**  
Jatiya Samajtantrik Dal (JSD) in a statement termed the budget as a "balanced one" and said the budget will contribute to ensure food, housing and clothing for the common people.

**Noor-e-Alam Ziku, President and Syed Zafar Sajjad, General Secretary of JSD** said development of human resources was one of the focal points of the budget that intro-

duced superannuation allowance for uncared elderly people, housing for low income groups, loans for the unemployed youths, pay scale for the government employees and initiatives for poverty alleviation.

**BSD**  
The cost of living will increase in the proposed budget, Convener of Bangladesh Samajtantrik Dal Khalequzzaman said.

In a statement, the BSD leader termed the budget as a "negative" document.

There is no direction of establishing new industrial unit in this budget and thus it would not create any scope for new employment, he said, adding that the budget will go against the interest of the common man.

**BSU**  
Bangladesh Students' Union (BSU) in a statement expressed resentment over the increase in defence budget instead of education.

President of BSU Aslam Khan and General Secretary Hasan Hafizur Rahman Sohail urged the government to allow tax-free import of papers.

**Juba Dal**  
The Jatiyatadabi Juba Dal has said that the proposed budget for the fiscal year 1997-98 will terribly hit the national economy.

In a statement, Jubadai President Mirza Abbas and General Secretary Goyeshwar Chandra Roy said Bangladesh's economy has emerged as a potential one due to relentless efforts during the past five years ending 1995.

This budget will obviously jeopardize the economy that

has been built through long and tireless efforts during the rule of BNP, they observed.

**Manik Mia Parishad**  
Tofazzal Hossain Manik Mia Parishad in a joint press statement said that the proposed budget could not reflect the aspiration of the majority of peasants, workers and the poor of the country.

Advocate M Sajawar Hossain, the acting chairman and Muhammad Abdul Jalil, general secretary in their joint statement said that development of the country does not lie in defence expenditure, rather it could be achieved by improving the sectors of education and agriculture.

They demanded revision of allocation in the budget for agriculture and education sectors, the release added.

**Madaripur chamber**  
Madaripur Chamber of Commerce and Industry hailed the proposed budget, saying the budget will establish the rights of protecting the lives of lower class and the helpless people both at social and state level.

In a statement, President of the chamber Lutfur Rahman Khan said the budget had given a sense of directions for future.

He appreciated the proposals for reducing the minimum payable tax to Taka 1000 from Taka 1200 in the case of income tax and introducing the policy of providing allowance for the distressed old people.

The withdrawal of tax from power tiller, he said, would make contribution to agriculture.

Khan called for withdrawing tax from the writing paper.

## Bankers' team leaves for S'pore today

A team of local bankers leaves Dhaka for Singapore today on a three-day visit, says a press release.

During its stay, the team is expected to observe operation of Standard Chartered Bank (SCB) in Singapore.

The team comprises senior officials from commerce banks and central banks.

The visit is sponsored by Institutional Banking Group (IBG) of Standard Chartered Bank.

Addressing the team members, Geoff Williams-Chief Executive Bangladesh for SCB, said SCB is happy to be involved in the development process of banking sector in Bangladesh.

This kind of overseas visits, he added, will continue to bring in the best practices in service industry to the local market.

## New Deputy MD of BTC



Golam Mainuddin has recently been appointed Deputy Managing Director of Bangladesh Tobacco Co Ltd, says a BTC press release.

He will continue to head the Leaf Department of the company.

Mainuddin, 52, hails from Comilla and secured a 1st class in MSc degree in Soil Science from Dhaka University in 1967. He spent his early career with Duncan Brothers in their Tea Operations where he worked for 13 years before joining BTC in 1982 as Leaf Operations Manager. In 1986, he was appointed to the Board of BTC as Leaf Director.

Mainuddin steered production of quality tobacco in the country and has been instrumental in introducing new technology to raise crop yield and further improve quality.

## New strains of salt tolerant rice soon for cultivation

New strains of salt tolerant and high yielding variety of rice are expected to be introduced soon for cultivation in the country, following the success achieved during experiment under a research project, says UNB.

The new strains may revolutionise the country's food production in the coastal districts, where vast tracts of land remain out of satisfactory rice cultivation during the dry season due to salinity of soil.

The project on "Evolving salt-tolerant and high yielding rice variety" was launched in 1992 with a 160,000 dollars financial assistance from the US-based Rockefeller Foundation.

Dr Zeba Islam Seraj, Associate Professor of Dhaka University's Biochemistry Department, has been working as chief investigator of the project along with a number of research associates.

In course of their five-year

work, the research team has found out some 12 new strains of rice by applying Anthar culture technique and hybridisation of HYV rice like BR-7 with saline tolerant 'Binnatoa' and 'Rajeshal' species.

The Anthar culture procedure is significant as there will have no chance of segregation of the expected new strains.

There is an enormous possibility of finding a couple of varieties having both salt-tolerant and high-yielding strain among the 12 new lines, Dr Zeba Islam told UNB.

She said experimentally, the research team has succeeded in isolating rice species possessing both high-yielding and salt-tolerant properties.

At present, screening trial of salinity-resistance and high-yielding property of the new lines is going on at the field level under a team, jointly headed by Dr Nilufar of Bangladesh Rice Research Institute (BRRI) and Dr Zeba Islam.

## US launches campaign to sell arrears payment plan to UN

UNITED NATIONS, June 14: After reaching agreement with key senators on a plan to pay \$19 million dollars in back dues, the United States launched its campaign Friday to sell the package to a skeptical United Nations, reports AP.

But the initial reaction among diplomats of other UN member states was negative. UN officials admit they face major battles in convincing the other 184 UN member states to accept the plan.

Ambassador Bill Richardson and Sen Rod Grams, R-Minn, met Friday with Secretary-General Kofi Annan and key ambassadors to explain the plan, approved Thursday by the Senate Foreign Relations Committee.

Their message was that despite conditions many UN members find objectionable, the agreement is the best deal possible and represents a major step in overcoming opposition to the United Nations in the Republican-dominated Congress.

"We have... made a major step forward, a positive step forward in that there is now on record a major committee of the

Congress... in favour of UN arrears payment with some benchmarks for reform," Richardson said.

But diplomatic sources, speaking on condition of anonymity, said envoys from the European Union and Japan said US conditions violate international agreements.

Among the most controversial parts of the deal is a requirement that the United Nations reduce the US share of expenses from 25 per cent to 20 per cent. The agreement also provides less money than the United Nations says Washington owes.

Reducing the US assessment requires approval by a majority of the 185-member General Assembly. Countries such as Britain, France, Japan and Germany oppose a reduction until Washington first pays its arrears and promises to deliver payments in full and on time in the future.

Under the plan, the United States would pay \$19 million dollars over three years conditional on major UN reforms including personnel reductions and a lowering of US assessments.

## Asia offers to help Africa gain economic miracle

BANGKOK, June 14: Asia stretched out a helping hand Wednesday to Africa, promising that the economic miracle that has made Asia the envy of the world can be transferred to a continent that has defied decades of attempts to move forward, reports AP.

Thai Prime Minister Chavalit Yongchaiyudh, host to a three-day forum bringing together 48 African and nine Asian countries, said in his opening address that Africa's development "poses a political, economic and moral challenge to the world community."

In the Second Asia-Africa Forum, top planning officials from the countries and international agencies are to share ideas on how to improve Africa's economies. No major joint programmes are planned. Organisers hope instead each country can take away what it needs from the discussions.

Chavalit said that while there was "no single Asian economic model" right for every African country, the Africans could profit from Asian experiences.

These included regional co-operation to promote security and stability, integrating diverse ethnic groups, improving education and training, and developing formal financial systems.

The delegates were to gather in workshops to focus on workable plans to expand Africa's economic capacity, develop agriculture to ensure food security, and broaden the private sector, seen as the engine of real

development.

The number of participating countries is double that at the initial forum held in Bandung, Indonesia, in 1994. It grew out of that year's Tokyo International Conference on African Development, the first big attempt by Asian countries to address Africa's stagnation.

The Tokyo conference, founded at the urging of Western donors urging Asia to play a bigger global role, convenes again next year. The co-chairs, Japan and the United Nations, hope this week's forum can point some concrete ways forward.

Chavalit noted that since democracy came to several African countries in the early 1990s, many had introduced economic reforms. But Africa's overall share of world trade fell from 3.1 per cent in 1990 to 2.2 per cent in 1995.

"Despite economic progress in several African countries over the last two years, poverty still presents an intractable problem," Chavalit said. "Under present trends the number of poor people is likely to increase rather than decrease."

The forum confirms Asia's emergence as an economic power outside the region. Chavalit noted that Thailand is looking westward to the Middle East and Africa as an outlet for new economic investment and growth.

The meeting also underscores the opposite directions the two continents have taken since the colonial era ended some 40 years ago. Many

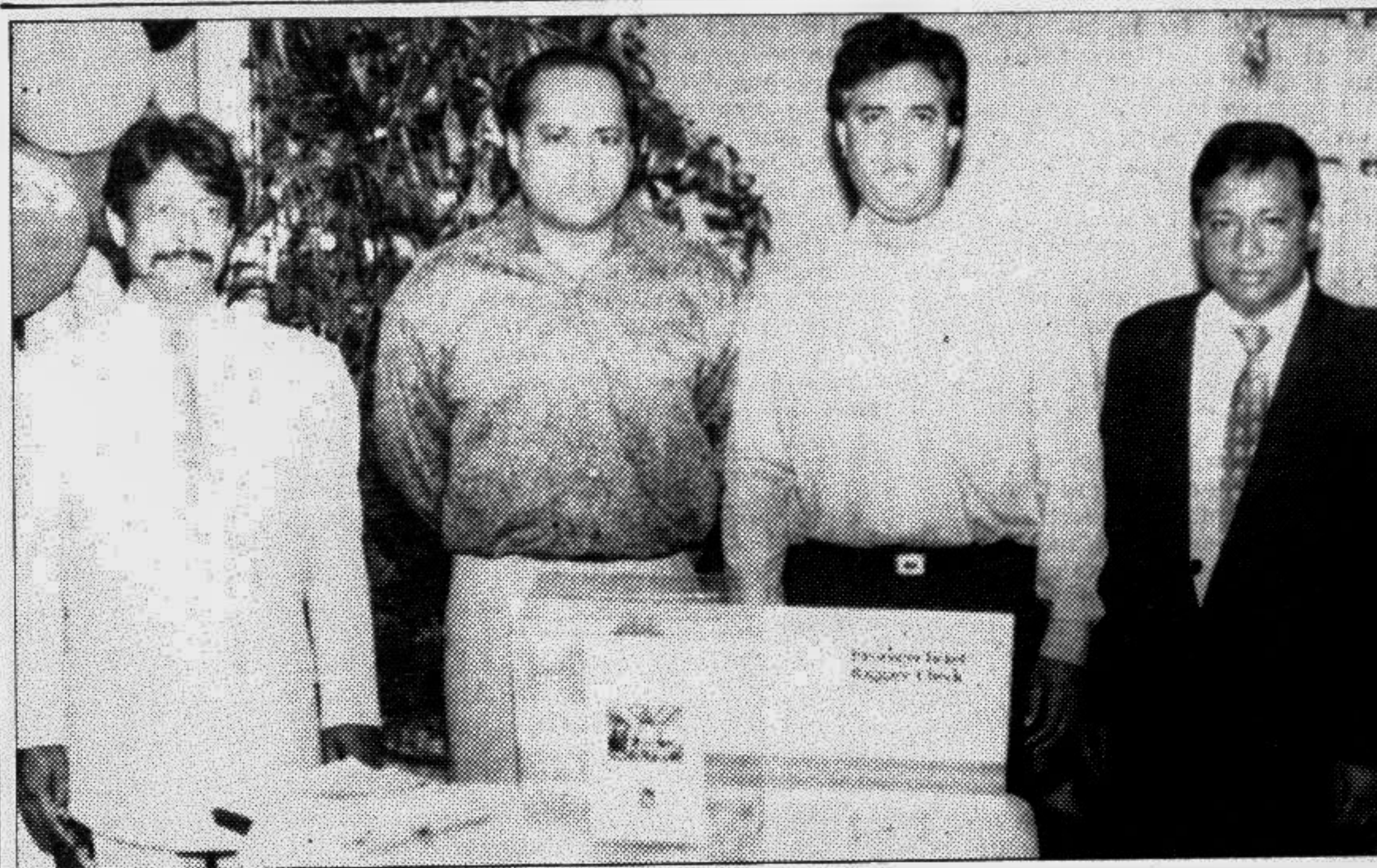
African countries, with abundant natural riches, tend to have higher gross domestic product than overpopulated, war-torn Asia.

But most of Africa adopted economic policies emphasising central planning and nationalisation. Initiative was stifled and foreign capital went elsewhere. Aid funds disappeared into corrupt pockets or grandiose, unworkable projects while limited educational resources were often squandered on universities for the elites.

The market-oriented countries of Asia - Japan, South Korea, Taiwan, Hong Kong, most of Southeast Asia - went for export-oriented industries. Universal primary and often secondary education produced a better-skilled work force. Governments often targeted markets for industry, but private enterprises ran their own affairs.

The results are stark. Asia is largely at peace and leading the world in economic growth, its populations better fed and housed than at any time in history. Africa has in many cases regressed, with war and famine plaguing an ever-poorer continent.

Constance Rawaka, permanent secretary of Rwanda's Foreign Ministry told the forum that Africa has foreign debts of 340 billion dollars, with savings and investment rates 20 per cent below those of Asia. Of 4.5 billion dollars in foreign direct investment in 1996 to developing countries, Africa secured only five per cent.



A K M Mujibur Rahman (2nd L), Chairman and Mujibur Rahman (3rd L), Managing Director, White Castle Ltd, Shahadat Hossain, General Manager (extreme left), and Joyanal Abedin Chokder, Manager, White Castle Restaurant, are seen on the occasion of second anniversary of the restaurant.

## Prices of gold, oil, tea decline over the week

LONDON, June 14: Cocoa prices bubbled up by 10 per cent this week, as fears of a paltry harvest in the Ivory Coast put the heat on dealers on the London market, reports AFP.

Any fall in the West African harvest, which satisfies 40 per cent of demand from the world's chocolate eaters and drinkers, would come as a hammer blow to the market.

But as yet, the forecasts are only preliminary estimates: the bean harvest will not commence before October, and as any cocoa grower knows, a lot can happen between now and then.

At this very time last year, the market was set ablaze by doom-mongers who predicted a fall in output from the Ivory Coast, six months later, the country reaped a plentiful harvest and prices were quickly frozen out.

Copper price rose sharply on the wings of a fall in global stocks of the metals and strong demand from US industries, which have stepped up production of late.

**GOLD:** Farnished. The yellow metal remained bogged down, reduced by the glittering performance of platinum to a "backseat role", in the words of one analyst.

The price of gold fell by about a dollar to 342 dollars per ounce (31.103 grams).

Fears of gold sales by Euro-

pean central banks to help their governments meet the tough public debt and deficit criteria for joining the single European currency have receded, analysts said.

There is a moment towards easing the strict entry conditions, one commentator observed, which would remove the necessity to sell off the family silver to hit the three-per cent of GDP target for the public deficit.

**SILVER:** Softer. Silver prices remained soft, losing 15 cents to 4.75 dollars per ounce.

**PLATINUM AND PALLADIUM:** Slowdown. Platinum and palladium prices beat a modest retreat from the previous week's buying frenzy, calmed by the prospect that Russia will shortly resume exports of these two precious metals.

**COPPER:** Burnished. Copper prices continued to climb on the London metals market, reaching a high since mid-May 1996, the month before the Summit scandal broke, encouraged by a slowdown in supplies and booming demand.

The three-month copper price on the London Metal Exchange (LME) gained 120 dollars to 2,600 per tonne. Official reserves in LME warehouses fell by 7,000 tonnes over the week, a sign of strong demand.

The market remains sup-

ported by a strike at Canadian producer Inco's Sudbury plant, in Ontario. The site produces around 100,000 tonnes of copper and nickel a year.

**LEAD:** Firm. The price of lead held firm around 635 dollars per tonne, supported by a fall of 1,000 tonnes in LME stocks.

**ZINC:** Stable. The price of this metal, used in anticorrosive treatments, remained steady at around 1,360 dollars per tonne, although the consistent rise in stocks, probably linked to an upsurge in Chinese exports, is a worry.

**ALUMINIUM:** High. Aluminium prices rose to 1,620 dollars per tonne, before slipping back to 1,590 dollars per tonne, as dealers feared a future supply deficit.

**NICKEL:** Frozen. Nickel prices held around 7,200 dollars per tonne, despite strike action at a Canadian plant and problems at the giant Norilsk complex in Russia.

**TIN:** Inert. Tin prices remained unchanged at 5,620 dollars per tonne, with no sign of activity.

**OIL:** Calmer. Crude oil prices fell 60 cents to 17.8 dollars per barrel, as refineries, many of which are closed for maintenance, found it hard to absorb booming output in West Africa and the Gulf of Mexico.

Germany may decide to sell 20 per cent of its strategic oil re-

erves to improve the country's shaky finances and help it meet stringent deficit criteria for joining the single European currency.

**RUBBER:** Stable. The price of the commodity held stable at 725 pounds per tonne.

According to Dutch experts, output may be too limited to satisfy consumption within a dozen years, because of a drop in production by the world's top three exporters, Thailand, Indonesia and Malaysia.

**COCOA:** Bubbly. Speculative purchase lifted cocoa prices by 10 per cent to more than 1,100 pounds per tonne, the highest point in a year.

Dealers feared that the harvest in Ivory Coast, the world's number one producer, at the end of 1997 would be smaller than had previously been expected.

**COFFEE:** Hot and cold. Coffee prices soared early in the week, as dealers feared the arrival of polar air at Brazilian plantations, but fell back later as the dreaded frosts melted away.

Prices fell by 80 dollars to 1,790 per tonne over the week as a whole.

**TEA:** Cooling. Tea prices fell by two pence to 140 pence per kg in the London auction houses, under the effect of reduced demand.

**SUGAR:** Calm. After the burning frenzy of last week, the

price of sugar calmed down, holding relatively stable at a round 317 dollars per tonne, on a market dominated by technical factors.

Beetroot producers in northern France are suffering from severe dry weather. The crop needs wet conditions of flourish, but the fields have been bone dry since the start of the year, however, the storms of the past few days should help to quench the thirsty plants.

France is the world's sixth-largest sugar producer, just ahead of Germany.

**VEGETABLE OILS:** Stirring. An acceleration in soy purchases by countries such as China, Venezuela, and the giant US firm Cargill, drove vegetable oil prices up.

But the good weather conditions on the US soy plains and the prospect of a bumper harvest there, has held back price on the Chicago Board of Trade, which rose five cents to 8.41 dollars per bushel (27.2 kg delivery in July).

Forecasts for the forthcoming harvest have been sharply revised down from 12.4 million tonnes to 11.5 million, because of a prolonged drought in the north of the country.

Argentina is the world's number three soy producer, after the United States and Brazil.

On the Rotterdam market, palm oil prices gained five dol-

lars to 545 dollars per tonne. Sunflower oil lost 25 dollars to 550 dollars per tonne.

The price of rapeseed oil fell 0.5 guilders to 104 guilders per 100 kg, while that of groundnut oil climbed 60 dollars to 1,065 dollars per tonne.

**GRAINS:** Slip. Grain prices fell slightly this week after the US Agriculture Department predicted bumper crops this season, despite erratic weather conditions that have given traders some cause for concern.

The United States, which exports more wheat than any other country, has suffered extremely dry weather in the north, while farmers have complained of too much water in the south.

Nonetheless, officials at the agriculture department revised upwards forecasts for this year's wheat harvest.

Price fell by three cents to 3.53 dollars per bushel (of 27.2 kg for delivery in July) on the Chicago market.

Maize prices also fell by three cents to 2.71 dollars per bushel (of 25.4 kg), under the influence of favourable weather conditions.

**WOOL:** Warm. Hefty imports into Japan, China and Western Europe served to increase wool prices in the Australian auction houses. The eastern index rose by 12 Australian cents to 726 cents per kg.

## Clinton defends his position of renewing China's MFN status

WASHINGTON, June 14: President Bill Clinton today defended his position of renewing Most Favoured Nation (MFN) trade status for China, saying that it is "the best way to promote our interests and our values," reports AFP.

In his weekly radio address, Clinton said that efforts in Congress to revoke MFN ahead of the Hong Kong handover could imperil US interests.

Those who oppose normal trading relations with China have legitimate concerns," Clinton said. "I share their goals of advancing human rights and religious freedom or promoting fair trade and strengthening regional and global security."

But Clinton said any move to end MFN "will cut off our contact with the Chinese people and undermine those dedicated to openness and freedom."

He added, "I am convinced the best way to promote our interests and our values is not to shut China out, but to draw China in, to help it to become a strong and stable partner in shaping security and prosperity for the future."

Clinton said Hong Kong's leaders "even those most critical of Beijing," have urged Washington to extend trade privileges.

"They want to maintain their freedom and their autonomy," he said. "They know they need normal trading status to do it."

Clinton had told lawmakers earlier this month he intended to renew China's most favored nation status. Congress has until September 3 to block renewal of the status that gives China the same trade benefits as most other countries.

Clinton has said he would veto any bill revoking MFN and Congress could override the veto only with a two-thirds vote.

Earlier in the week Clinton told a business group that ending MFN now "would shatter any claim to influence we have" over Beijing's promise to maintain the current economic system in Hong Kong after the handover.

In a related development, former US Treasury Secretary William Simon and nine other former treasury secretaries signed a letter endorsing continued MFN status for China.

## New Ariel launched

Procter & Gamble Bangladesh has launched New Ariel with Microshine in Bangladesh, says a press release.

A colourful sales conference was held at a city restaurant on the occasion.

New Ariel with Microshine cleans so much better that it actually prevents clothes from looking old even after 40 washes.

New Ariel Microshine for the first time combines two patented technologies Carezyme and Od Base in a single product and is currently in use in P&G detergents across 16 countries.

Od Base works to remove the toughest of stains and actually prevents stains from settling on to the clothes.

Carezyme is a unique Enzyme system which gently removes the pills and fuzz that form on clothes because of repeated washings.

Once pills and fuzz get removed, the true colours of the clothes shine. This keeps the clothes looking new even after repeated washes, the release added.

## France, Germany fail to bury differences on single currency

POITIERS, France, June 14: France and Germany failed on Friday to bury their differences on a single currency, leaving Europe facing an uphill task to strike a deal on an EU stability pact in time for a summit in Amsterdam next week, reports Reuter.

France's socialist Prime Minister Lionel Jospin said the new government was committed to a single currency but wanted a fundamentally new approach to monetary union.

Its demands for a focus on growth and jobs must be given the same importance as the stability pact limiting budget deficits after the launch of a single currency.

He was speaking at a news conference here after a meeting between French and German leaders and ministers failed to end a dispute on the pact, agreed in Dublin last year and due for approval in Amsterdam on June 16 and 17.

"Those who say we have a huge problem are wrong. Those who say we have no problem are wrong to solve it," French Finance Minister Dominique Strauss-Kahn told reporters.