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DHAKA WEDNESDAY, JULY 2, 1997

## Dhaka, Tokyo sign accord to make more Japanese investment possible

TOKYO, July 1: Bangladesh and Japan today signed an agreement here on the protection and promotion of investment with a view to facilitating more Japanese investment in Bangladesh and also increasing the confidence of the investors, reports BSS.

The agreement was signed by Rashed Ahmed, Bangladesh Ambassador to Japan and Yoshiyuki Kaneko, Japanese Ambassador in Dhaka on behalf of their respective govern-

ments. Abul Hasan Chowdhury, State Minister for Foreign Affairs and Masahiko Komura, Secretary of State for Foreign Affairs of Japan were present at the signing ceremony.

Later they held bilateral talks for about an hour on matters of mutual interest including the promotion of trade and business between Bangladesh and Japan.

Masahiko Komura noted

that a better investment climate now prevails in Bangladesh. He particularly mentioned the economic reforms of the present government under Prime Minister Sheikh Hasina taking during the last one year and said "these measures has surpassed all initiatives taken during the previous 21 years."

He, however, called for maintaining the present political stability and said it was key to economic progress. He said Japan values Bangladesh as a

development partner. Abul Hasan Chowdhury apprised the secretary of the various reforms taken by the government in the last one year and said there exists an excellent opportunity for investment in Bangladesh.

Foreign Secretary Ferooz Sobhan, Bangladesh Ambassador to Japan Rashed Ahmed and Director General, Far East, Sirajul Islam were present at the meeting.

## IDB members meet Sonali Bank MD

Two representatives of the Islamic Development Bank (IDB) now in Dhaka called on Khandoker Ibrahim Khaled, Managing Director of Sonali Bank, yesterday at the bank's head office at Motijheel and discussed matters relating to the commercial co-operation of the IDB.

The IDB representatives are Hedhili Soussi and Mohamed Iqbal Azad.

The IDB launched a long-term business expanding programme in 1986 to increase the volume of import and export trade among the member countries of the OIC. In 1989 the government nominated Sonali Bank as a representative to look into the banking operation and since then Sonali Bank has been acting as a representative for the banking operation. To strengthen and activate the programme further, the representatives of the IDB have come to Dhaka. It is expected that the programme will play a far-reaching role in both the spheres of import and export, says a press release.

## Govt slated for not abolishing duty on imported machinery

By Staff Correspondent

Bangladesh Textile Mills Association (BTMA) and Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have criticised the government for not abolishing duty on imported capital machinery.

BTMA Secretary General, Group Captain (Retd) Enamul Hoque Chowdhury, has slated the government for refusing duty at 2.5 per cent on import of capital machinery saying it has failed to read the probable impact of present duty structure on textile sector after the year of 2005.

Talking to The Daily Star yesterday, he said a medium-sized industry with 25,000 splinters now cost about Tk 50 to 60 crore. But the imposition of 2.5 per cent duty on capital machinery will cost additional Tk 80 lakh to one crore.

The local and foreign investors may not feel encouraged

to invest in Bangladesh due to imposition of duty," he said.

BTMA Chairman Md. Moahammed Shajahan said Kibria contradicted a government order which was issued by the National Board of Revenue on June 16, four days after the national budget was placed in Parliament.

The order said imported textile machinery and raw cotton could be cleared at nil duty from Custom houses. Refixing duty from 7.5 per cent to 2.5 per cent was rather contradictory, he said.

Both the BTMA leaders said since the textile sector has bright prospect and a ready market, the government must review its present level of duty structures to help flourish the sectoral growth.

BTMA will meet on Thursday to review the government's decision.

They said India, Pakistan

and China grow cotton and enjoy price competitiveness in the international market.

Buying cotton at an international price and paying a 2.5 per cent surcharge may increase fabric price substantially, Shajahan said.

Bangladesh Garment Manufacturers and Exporters Association President Mostafa Golam Quddus said the imposition of 2.5 per cent duty on import of capital machinery would discourage potential investors.

He agreed with BTMA's views that Bangladesh's textile industry might lose competitiveness after the year of 2005 when no special quota would be allocated for Bangladeshi apparel in the international market.

Quddus sought cooperation from Prime Minister Sheikh Hasina and Opposition leader Khaleda Zia for boosting the readymade garment sector.

## FBCCI team off to Japan

A 52-member high level trade delegation headed by Yusuf Abdullah Harun, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) left for Japan in the early hours today as part of the entourage of Prime Minister Sheikh Hasina, an FBCCI press release said yesterday.

During the visit, the delegation will meet top conglomerates of Japan and discuss the setting up of joint venture industries in Bangladesh. Besides they will attend the preparatory meeting of the 9th session of Bangladesh-Japan Joint Committee for Economic Cooperation to be held on July 3 in Tokyo. It is expected that the delegation will return home on July 6.

## Dhaka Sheraton starts mango promotion fortnight

In keeping with the Monsoon Season, Dhaka Sheraton Hotel has started a Mango Promotion from the June 30 for a fortnight. The mango promotion is being held at the Sheraton Restaurant and also at the lobby cafe and will continue till July 13 both during lunch and dinner time, says a press release.

The exciting menu features an array of delicious desserts and main course made from seasonal mangoes and the items have been named after Zodiac sign.

Menu includes: ARIES — fresh mango juice perfumed with mint. TAURUS — Shrimps and mango salad with coriander leaves, green chilli and mustard dressing. GEMINI — a combination of river prawn and mango in a succulent cheese. CANCER — piccata of chicken richly garnished with mango. LEO — mango blended with yoghurt. VIRGO — mango mousse with raspberry sauce. LIBRA — rolled mango pancake served with chocolate and mango sauce. SCORPIO — fresh mango and vanilla ice-cream topped with black cherry sauce and almond. SAGITTARIUS — traditional cheese cake blended with mango. CAPRICORN — mango surrounding a vanilla mousse and whipped cream. AQUARIUS — flaky mango tart — Pisces — fresh mango in shell.

## 13th AGM of SABINCO held

The Thirteenth Annual General Meeting of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO), a joint venture investment company of the Governments of Saudi Arabia and Bangladesh was held in the city on Monday, says a press release.

The meeting was chaired by Dr. Abdelaziz Al-Orayer, Chairman, SABINCO, Deputy Minister and Economic Adviser, Ministry of Finance and National Economy, Saudi Arabia. He was assisted by the Deputy Chairman AH Mofazzal Karim, Secretary, Ministry of Shipping, Bangladesh.

Saudi Arabia was represented by Salman M. Al-Rajhi, Public Investment Fund, Ministry of Finance and National Economy and Bangladesh side was represented by Mohammad Shamsuzzoha, Joint Secretary (Policy), Banking Division, Ministry of Finance.

The meeting was also attended by directors of the Company Turki Mohammad Al-Sudairy and Sami Al-Youssef from Saudi Arabia and Md. Badiuzzaman from Bangladesh.

During the year, SABINCO committed financial assistance of Tk. 358 million as compared to previous year's commitment of Tk. 354 million.

The sectorwise financing of the projects are: textile — 21.70 per cent, chemicals — 21 per cent, fisheries — 21.70 per cent, cement and ceramic — 14.60 per cent, tannery and leather products — 4.80 per cent edible oil — 3.60 per cent, fisheries and poultry supporting — 7.50 per cent engineering — 2.80 per cent dairy and fruit processing — 4.90 per cent toy — 0.40 per cent and paper and pulp — 4.50 per cent.

The meeting also declared dividend to the shareholders of the company for the year 1996 after paying 45 per cent of the profit as taxes to the Government.



Islamic Development Bank (IDB) has taken up a long-term investment programme to expand the inter-country trade and commerce among the member-countries of the Organisation of Islamic Conference (OIC). The visiting representatives of IDB, Hedhili Soussi and Mohammad Iqbal Azad, held a formal discussion on the matter with Khandoker Ibrahim Khaled, Managing Director of Sonali Bank, at the bank's head office at Motijheel in the city yesterday.

## US world's biggest debtor

WASHINGTON, July 1: The United States sank deeper as the world's biggest debtor last year as foreign investors gobbled up record amounts of Treasury securities and corporate bonds, says AP.

In its annual look at America's international balance sheet, the Commerce Department said Monday that the United States' net debtor position rose 27 per cent to 871 billion dollars.

"This is about the only area of the US economy that doesn't get a clean bill of health," said economist Allen Sinai of Prisma Decision Economics in New York. "The fundamental problem is we don't save enough as a nation."

The net debtor position is the shortfall between the 4.59 trillion dollars foreigners owned at the end of 1996 in US assets corporations, real estate, stocks and bonds, and the 3.72 trillion Americans owned in overseas assets.

About an eighth of the increase can be attributed to adjustments in currency values. Because of the stronger dollar, US assets abroad, denominated in European and Japanese currencies, were worthless.

But most of the change reflected that the deficit in the broadest measure of trade, the

current account, climbed to 148 billion in 1996, the worst showing in nine years. The dollars Americans paid for foreign goods, oil and other products were in turn used to buy US investments.

Monday's report underscores America's dependence on world investors and came exactly a week after Japanese Prime Minister Ryutaro Hashimoto threw a week after Japanese Prime Minister Ryutaro Hashimoto threw a scare into Wall Street with a comment construed by traders as a veiled threat the Japanese might begin large-scale selling of US bonds.

Japanese officials hastily clarified that Hashimoto never meant to imply such selling was about to happen. But the Dow Jones average of industrial stocks nevertheless plunged nearly 200 points in its second-year point decline ever.

Treasury Secretary Robert Rubin dismissed the danger, saying US markets were so deep and so broad they could absorb concerted selling by a foreign country.

But Sinai said that was true only in the long run. In the short run, a flight from US assets by foreigners would roll markets and send US interest rates sharply higher, he said.

According to the Commerce

Department, foreign holdings of US Treasury securities, used to finance the 5.25 trillion dollars US national debt, jumped 36 per cent to 531 billion at the end of last year.

Foreigners' ownership of corporate bonds rose 22 per cent. Stock holdings increased 23 per cent, with most of the gain reflecting rising prices of shares already owned. Foreigners have been relatively wary of buying more shares despite the stock market rally.

In direct investments, defined as ownership of at least 10 per cent of a company, Britain had the largest holdings for the third consecutive years at 143 billion. It was followed by Japan at 118 billion dollars and then the Netherlands, Germany, Canada, France and Switzerland.

The United States' foreign holdings were greatest in Britain, 143 billion dollars followed by Canada, 92 billion, and then the Netherlands, Germany, Japan, Switzerland and France.

Until 1986, the United States was the world's largest creditor country. In that year, the United States became a net debtor for the first time since early in the century. Now Japan is the world's largest creditor.

## Russian govt sets up hotline for unpaid pensioners

MOSCOW, July 1: The Russian government opened a toll-free telephone hotline Tuesday for pensioners who want to complain about payment delays, reports AP.

But there's one potential problem: millions of pensioners have gone unpaid in recent months, and there are only two telephone numbers.

Deputy Prime Minister Oleg Syusuev said that the callers will talk directly to members of President Boris Yeltsin's administration, who will forward the complaints to the president.

The line has been set up in part to monitor regional authorities, who are in charge of distributing pension cash, Syusuev said.

Yeltsin said last week that his government has allocated money to regional authorities to pay off all overdue pensions. But local officials have often mispent federal money, and Yeltsin acknowledged it could be a while before the retirees actually see the cash.

The calls to the two Moscow telephone numbers met with busy signals Tuesday.

Unpaid pensions totalled 17

trillion rubles (three billion dollars) this year as the government struggled to collect revenues and pay its bills. In March, Yeltsin pledged to pay off the pension obligations by July 1.

The last three trillion rubles (520 million dollars) were allocated to far-flung Russian regions last week, the president said last week.

Yeltsin also promised that the cash-strapped government would eventually move to raise pensions, now averaging the equivalent of 50 dollars a month.



Dr. Abdul Aziz-Al-Orayer, Deputy Minister and Economic Adviser, Ministry of Finance and National Economy, Saudi Arabia, presiding over the 13th Annual General Meeting of the Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd (SABINCO).

SEOUL, July 1: South Korea posted a 98 million dollars trade surplus last month, the first monthly trade surplus in 2 1/2 years, the government said Tuesday.

In an interim report, the Ministry of Trade, Industry and Energy attributed the turnaround to higher exports in semiconductors, petrochemicals and steel products.

South Korea suffered a 426 million dollars trade shortfall in June last year.

In June, customs-cleared exports rose 9.2 per cent from a year ago to 12.35 billion dollars. Imports climbed 4.4 per cent to 12.25 billion dollars the ministry said.

In the first 20 days of that month, exports of heavy-chemical products rose a year-on-year 30 per cent to 4.53 billion dollars. Exports of petrochemicals, oil products, semiconductors and steel products also rose.

South Korea's exports began rising in the second quarter as the Japanese yen was rising against the US dollars jumped 7 per cent year-on-year April, followed by a 3.9 per cent climb in May.

The turnaround in exports raised hope that the economy may be recovering. South Korea

limited trial period while contracts for long-term use are being negotiated, NIKH said.

NHK World, which includes programmes from domestic Japanese broadcasts as well as special programming, will be available 24 hours a day beginning next year, the network said.

TOKYO: Toyota Motor Corp. announced Tuesday it has established a new wholly-owned subsidiary in Japan for production of anti-lock brake systems and modulated suspension systems.

The auto giant said the unit, Toyota Motor Tohoku Co., is located in Miyagi prefecture in northern Japan and has a capitalization of two billion yen (17.40 million dollars).

The unit is slated to produce 250,000 actuators — mechanical and electronic parts used in the brake systems — and 50,000 modulated suspensions, with annual sales for the year ending March 31, 2000, projected at seven billion yen (60.87 billion dollars), says a press release.

Total investment in the subsidiary is about 12.50 billion

yen (108.70 million dollars), Toyota said.

Toyota is Japan's largest auto maker. It produces in a number of countries and has close ties with General Motors Corp. of the United States.

CANBERRA: Hong Kong will retain its membership in the World Trade Organisation, with China preparing a renewed push for admittance to the trade body, Deputy Prime Minister Tim Fischer said Tuesday.

He added that China appears to be preparing an improved application for membership to the trade body.

"I am quietly confident there will be an improved offer from China with regard to its WTO membership in the very near future, and I welcome that. The sooner China is a member of the WTO, the better," he said.

He said Australia will continue to monitor China's assurances that it will hold democratic elections in Hong Kong within 12 months of the handover.

"We don't agree with everything that the Chinese government does, no doubt they don't agree with everything we do. But broadly speaking we have a very good working relationship," he said.

Source AP

## Compaq launches PCs with Intel's technology

DUBAI, July 1: Compaq, the world leader in personal computers, announced here Monday the launch of a line of low-price but high-power home computers and desktop PCs with Intel's latest Pentium processor technology, reports AFP.

The six Compaq Presario home computers ranging in suggested price for the Gulf from 1,400 dollars to 3,000 dollars excluding taxes, were unveiled the same day in the Middle East, Europe and Africa, to be followed by Asia.

Along with an Armada 7700 series of state-of-the-art desktops, the new range was previously tested for six months on the US market, said Joseph Hanania, Marketing Manager for the Middle East.

The notebooks start at a recommended price of 2,500 dollars.

Hanania said the Compaq, a US corporation that has in the past launched price wars, was able to keep the costs down because of falls in component and Intel prices.

On the purchase by Compaq Computer Corp of Tandem Computers Inc. announced earlier this month, Walid Monemine, the Compaq Managing Director for the Middle East, played down any potential rivalry with the company's new subsidiary.

"We will be able to combine the best of both technologies," he told a press conference in Dubai. "We believe the overlapping is very small," between the products of Compaq and Tandem.

Leading Euro stock markets lose ground

LONDON, July 1: Leading European stock markets lost ground on Monday, as stock prices eased by 0.77 per cent in London, 1.13 per cent in Paris and 0.25 per cent in Frankfurt, reports AFP.

London stocks suffered from a lower Wall Street opening on Monday and from British monetary statistics increasing fears of a rise in UK interest rates, traders said.

The market fears higher rates, whatever tax measures may be announced in the British budget to be presented on Wednesday, which will be the main economic event of the week.

The Footsie index gave up 35.7 points or 0.7 per cent on the day to end at 4,604.6 points.

The Paris bourse started the new trading week off with a sharp setback in active trading as the Cac 40 index finished the day at 2,858.26 points.

## WTO rules against Canada in US magazine dispute

GENEVA, July 1: Canada has lost its appeal of a ruling by the World Trade Organization that held the government unfairly restricted the sale of US magazines, trade officials said Monday, reports AP.

Canada maintains the rules are needed to protect its culture from the United States.

The WTO appellate body upheld the finding of a lower panel that said some Canadian rules on the import and sale of foreign periodicals violate international trade regulations.

The ruling will be adopted in 30 days unless Canada can persuade its other partners in the 130-nation WTO to oppose it.

In Washington, US Trade Representative Charlene Barshefsky said the Clinton administration hoped the Canadian government would move quickly to remove the restrictions.

The long-standing Canadian policy came to the international trade body after Canada, in December 1995, adopted a special tax on magazines originating abroad.

The United States complained about Canada's ban on the import of so-called split-run magazines, which are periodicals with advertising aimed at Canada but with foreign editorial content.

The tax of 80 per cent was imposed on revenues from advertising in split-run periodicals produced domestically. Washington also objected to discount postal rates for Canadian publications.

At the center of the dispute was Sports Illustrated Canada, a split-run edition which Time Warner Inc. started producing and distributing in 1983.

The magazine avoided the

## Accord on irrigation management signed with Australia

A memorandum of subsidiary arrangement (MSA) for providing technical assistance to the "nutrient and irrigation management for sustainable rice-wheat cropping system in Bangladesh and Australia" project was signed here yesterday between Australia and Bangladesh, reports BSS.

Jason Reynolds, First Secretary (development assistance), Australian High Commission in Dhaka and MN Nabi, Joint Secretary, Economic Relations Division, signed the agreement on behalf of their respective governments.

The three-year project will contribute to greater financial security for individual farmers and improve food security in the region.

## Bogra, Kishoreganj announce Poura budget

BOGRA, July 1: The Bogra Municipality has announced a Tk 15 crore budget for the 1997-98 financial year, reports UNB.

Municipal Chairman Advocate Zahurul Islam announced the budget on Sunday at a simple ceremony which was attended, among others, by elite of the town, municipal commissioners and local journalists.

Another report from Kishoreganj says: A Tk 4.91 crore development budget of local purashava was announced on Monday for the fiscal 1997-98 without imposing new tax.

Pourashava Chairman Ahsanul Haque Mia also announced a Tk 3.62 crore revised budget for the 1996-97 fiscal year at a press conference at the Pourashava bhaban.

## New US home sales rise 7.1 pc

WASHINGTON, July 1: New home sales jumped 7.1 per cent in May to a seasonally adjusted annual rate of 825,000 units, the largest increase since November, the Commerce Department reported yesterday, reports AFP.

May is also the 17th consecutive month that the number of new home sales has been above 700,000.

On Wall Street analysts had expected new home sales to fall 0.1 per cent to 771,000 units.

Sales in April fell a revised 8.1 per cent to 770,000 units compared with the initial estimate of a 7.7 per cent decline.

The median price for a new home fell 6.7 per cent to 139,900 dollars in May, compared with 150,000 in April.

At the May sales pace, the nation's inventory of 280,000 unsold new homes would last 4.1 months, the Department said. The level of unsold homes in May is the lowest since July 1993, when there were 278,000 homes unsold.



Participants of the training workshop on Culture & Management of Thai Pangas, organized by Business Advisory Services Center (BASC) during June 26-30.