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# The Daily Star BUSINESS

DHAKA WEDNESDAY, NOVEMBER 12, 1997

**HYUNDAI**

CARS THAT MAKE SENSE

## \$13m Korean loan to help set up Nepal's power plant

KATMANDU, Nov 11: The Export-Import Bank of South Korea will provide a 13.5 million US dollar loan to Nepal to help build a 14 megawatt hydroelectric power plant, officials said Tuesday, reports AP.

The 27 million dollar project, to be completed in the next two years, will be located in Modikhola, a town 50 kilometers (30 miles) east of Katmandu, the Nepalese capital.

Nepal produces 300 megawatts of electricity a day but that's not enough to meet its domestic demand, especially during winter months.

Lee Sun-Ho, the vice-president of the South Korean bank, and Madhanv Prasad Ghimire, joint secretary in Nepal's finance minister, signed the loan agreement on Monday.

The soft loan carries an interest rate on one per cent a year to be paid back in 30 years.

## Thai PM hopes to revitalise economy

BANGKOK, Nov 11: Thailand's new Prime Minister, Chuan Leepai, says he is concerned about the problems of baht volatility and financial liquidity, but will first try to restore confidence in the country's battered economy, says Reuters.

"In the immediate term, I expect to be able to revitalise confidence so as to halt capital flight and solve the liquidity problem. The economy, especially the export sector, will pick up once we can successfully tackle these problems," Chuan said in an interview published in the Kation newspaper today.

Asked what he hoped to achieve during his first three months in office, Chuan told the daily: "my main concerns are the problems of currency volatility and a lack of financial liquidity."

He added that after the baht has stabilised, oil prices will decrease.

Chuan said he was aware that Thailand was attracting negative publicity worldwide.

"I expect that once the question of short-term debts has been answered, business confidence will pick up, paving the way for the revitalisation of the economy," he said.

He added that he was preparing an action plan to tackle the economic woes that will specify the time needed for each problem.

"We need time to solve the economic problems and to speed up the legislation of supplementary laws," he said.

## US urges Japan to deregulate economy further

WASHINGTON, Nov 11: The United States urged Japan on Monday to do more to deregulate its ailing economy by submitting a list of sectors that it said Tokyo should tackle on a priority basis, reports Reuters.

US Trade Representative Charlene Barshefsky said the list would test whether Japan would honour its commitments on deregulation made at a Group of Seven (G-7) industrial nations conference in June.

"While Japan has made some progress in its deregulation efforts over the past three years more substantial deregulation is essential," she said in a statement.

The United States also suggested Japan establish a permanent administrative body in the Prime Minister's Office with the authority to identify and force the implementation of needed deregulation measures.

## Iran liberalises forex market partially

TEHRAN, Nov 11: Iran's central bank has partially liberalised the black market, allowing individuals living abroad to transfer funds at the free market rate, newspapers said yesterday, reports AFP.

In a directive published in newspapers, the bank said exporters could also exchange part of their foreign earnings at the unofficial rate.

The government closed the currency market and imposed tough exchange regulations in May, 1995 in a bid to prevent the collapse of the national currency, the rial.

The official exchange rate for the dollar is frozen at 3,000 rials, while the black market rate is around 4,600 rials.

In an effort to prevent the flight of hard currency, the bank also obliged exporters to repatriate foreign earnings.

## SCB-Uttara Bank accord

Uttara Bank Ltd signed a correspondent banking agreement with Institutional Banking Group (IBG) of Standard Chartered Bank to route cross border trade through various branches of Standard Chartered Bank, says a press release yesterday.

# Govt hopes to get EU fish ban lifted soon

By Govinda Shil

The government is expecting a positive outcome when the European Union Standing Veterinary Committee reviews next week the temporary fish ban on Bangladesh.

Officials say the plants and laboratories have been improved to meet the EU criteria.

EU sources said the Standing Veterinary Committee (SVC) will also review the case of India in a meeting in Brussels

planned for November 18 or 19. The exporters, however, say the government was being extremely cautious leading to the list being too short. They fear the non-listed plants will lose business in the US and Japan, which will in all probability follow this list for frozen foods import from Bangladesh.

The government's intention is to ensure an early lifting of the ban, which explains the small list, according to a

source. The officials plan to send the new list by Saturday (November 15).

The EU may lift its ban from Madagascar, one of the three countries which faced a similar ban on July 30, within three weeks, according to an EC source.

The SVC held a meeting during November 4 and 5 where Bangladesh's case was not discussed. The Department of Fisheries

and other concerned officials have already visited 55 plants in greater Khulna and Chittagong region to see the improvements done by the plant owners during the last three months since the ban had been imposed.

Many exporters demand that all of the 55 plants have been modernised and upgraded, according to the EU health and hygiene criteria.

"We understand the govern-

ment first want to get the ban lifted by sending a small list. But such a list may eventually hamper our fish exports to the US and Japan," said a leading exporter.

Exporters are also worried about the competency of local officials responsible for controlling and maintaining quality of exportable fish.

"The government is inspecting our factory but who will inspect their labs," said another

exporter. He said two government labs were not upgraded according to EU rules.

Director general of Fisheries Liaquat Ali claims the labs have been modernised and are now able to examine various EU-prescribed tests. He said he was hopeful about lifting of the ban.

The government is likely to ask Brussels to conduct a fresh inspection later this month.

## Tofael blasts North for not keeping promises to South

Commerce and Industries Minister Tofael Ahmad said Bangladesh believes that expansion of trade opportunities is the most effective tool for development but little meaningful trading opportunities had been accorded to the LDCs despite many promises, reports UNB.

He said this while inaugurating a discussion on agenda 'Trade and Development' at the 52nd on-going session of the United Nations General Assembly on Monday, according to a message received here yesterday.

Tofael spoke at the UNGA session on behalf of Bangladesh — the coordinator of 48 Least Developed Countries.

He appreciated the United Nations Conference for Trade and Development (UNCTAD) for launching the trade and development report citing the dangers of lopsided liberalisation measures in international trade and highlighting on-going biases against developing countries.

Outlining the existing difficulties faced by the LDCs, the Bangladesh minister referred the noticeable decline in official development assistance increasing burden of external debt, low market access, a decline commodity prices, low foreign investment and little flow of transferring of modern technology.

While explaining the vul-

nerabilities, he mentioned that the products of the poorest countries are faced with 30 per cent more tariff than the global average.

Stressing the need of reduction tariff and taxes for the LDCs, Tofael added that the LDCs are enjoying only 0.4 per cent international trade opportunity being the 10 per cent of the global population.

On the question of foreign investment and transfer of foreign technology, he underscored that despite of adequate preparedness and committed efforts of LDCs the flows of foreign direct investment still remain below 1 billion US dollars compared to 129 billion US dollars in developing countries in 1996.

He further said that due to the imbalance distribution in trade and investment the debt burden of LDCs exceeded 20 US billion dollars in the last year.

Analysing the possible cause of being fringed of the global economic activities, the minister hoped that flows to those countries where work-force highly skilled and infrastructure are sound is much more compared to the countries where wages are lowest.

Similarly, the declining commodity prices for the main exports of LDCs creating inability to reduce the debt stock through export earnings, he added.



Human rights activists stage a mock hanging near a Shell Oil office in Bombay on Monday in memory of the second anniversary of the death of Ken Saro-Wiwa, the Nigerian environmentalist and human rights activist. Ken Saro-Wiwa had spearheaded a peaceful campaign to protest environmental destruction and human rights violation in Nigeria. Ken and eight other activists were hanged on November 10, 1995 by the Nigerian military. Shell Oil is a major investor in Nigerian oil. —AP/UNB photo

## On the way are a graveyard, a church and a monastery

By Rafiq Hasan

Now the religious structures are standing in the way.

Thanks to the industries minister, the problem ran real fast to a solution, but a graveyard, a church and a monastery on the 2500-acre land that a South Korean company is going to get for the country's first privately-owned export processing zone have delayed the process.

According to sources, Prime Minister Sheikh Hasina, when presented recently with the final documents relating to the handover of the land in An-

wara, Chittagong, inquired whether there were any religious structures in the vast area of the acquired land on the southern side of the Karnaphuli river, the sources said. She has returned the file, asking to take care of the problem.

Officials at the Private EPZ Cell have found there indeed were such structures. According to the sources, a total of four acres will have to be excluded from the projected land to save these structures of religious importance in separate spots. "We don't want to hurt religious

sentiments," one official said.

Youngone Corporation, the South Korean company, one of the leading foreign investors in Bangladesh, received approval of the government to set up an EPZ about one year back, but could not start development work as the government was yet to hand over the promised land.

A senior official at the Cell told The Daily Star that the land would be handed over soon after separating the areas belonging to religious structures.

Earlier, handing over of the

projected land was delayed because Karnaphuli Fertilizer Company (KAFCO) demanded 33 acres of land from the projected area to build residential quarters for its staff.

Last month, Minister Tofael Ahmed personally intervened to settle the score. At a joint meeting of both parties, he gave 19 acres to KAFCO.

Meanwhile, the Youngone Corporation, facing delays in getting its EPZ off the ground, now wants to buy Bangladesh Machine Tools Factory (BMTF)

at Gazipur to house factories -- new or relocated -- already proposed by foreign investors on an emergency basis.

The Privatisation Board (PB) is yet to take any decision about the Youngone's proposal for BMTF. The country's lone machine tools factory has been closed since 1994, after incurring huge losses for years. The government had spent more than Tk 130 crore to set up the factory on 170 acres of land.

According to sources, the PB may consider the Youngone's proposal "as an exceptional

case" because no other company had shown any interest before in buying the enterprise with liabilities of more than Tk 300 crore.

The proposed Korean EPZ will be the largest special industrial zone in the country as all kinds of export-oriented industries from anywhere in the world would be allowed to set up industries there. The Youngone's own investment would be about US\$ 200 million in the zone area, according to a senior official of the Corporation.

## Phone-Poulenc hits at brain tumour

Imagine that you begin to experience severe headaches, blurred vision, and a loss of strength and memory. A doctor's visit leads to a brain scan, then to surgery, and then finally to the grim diagnosis, you are one of them to develop a brain tumour. Brain tumours do not cause devastation to one person, they cause devastation to families. It is just as hard on a family as it is on the patient because they have to watch.

The emotional burdens of brain tumours will soon affect far more families than ever before as the incidence of brain tumours is on the rise: The rate of all primary brain tumours, benign and malignant, is 11.8 per cent per 100,000 people in the United States this year, up from 10.9 per cent in 1995.

Although the diagnosis may be traumatic, support groups sponsored by brain tumour organisations make coping easier, and new research breakthroughs give reasons for optimism and hope. Several patients with recurrent glioblastoma multiforme now using a treatment option called GLIADEL® Wafer (Polifeprosone 20 with carmustine implant) to fight their tumours. The first localised treatment for recurrent glioblastoma multiforme in 20 years, GLIADEL® Wafer is a tiny, dime-sized wafer that delivers chemotherapy directly to the tumour site. In a landmark study involving 222 patients undergoing surgery for recurrent malignant glioma, GLIADEL® Wafer increased survival at six months by more than 50 per cent (from 36 per cent with Gliadel).

As with all treatment options, the risks to the patient must be weighed against the benefits. In a Phase III study, local side effects that were more

common with GLIADEL® Wafer versus placebo included healing abnormalities, brain edema, pain, and local infections. Although the incidence of seizures was the same in the placebo and GLIADEL® Wafer groups, seizures that occurred in patients receiving GLIADEL® Wafer had a much earlier onset. The spectrum of adverse events observed in patients who received GLIADEL® Wafer or placebo was consistent with that encountered in patients undergoing surgery for malignant gliomas.

GLIADEL® Wafer, which was cleared by the US Federal Drug Administration earlier this year, is marketed by Rhone-Poulenc Rorer, a global pharmaceutical company. — Press release

## Largest Pak dam under threat

ISLAMABAD, Nov 11: Pakistan's largest dam is under serious threat from huge deposit of silt and sand in its reservoir built up over the past 20 years by the river Indus, the official news agency AFP reported yesterday, says AFP.

The sedimentary buildup may choke the dam and its hydroelectric system, the agency quoted officials as saying.

The three-kilometer (1.8 mile) wide deposit, located some eight kilometers upstream in the reservoir, is about 56 meters (184 feet) high and the river is adding 550,000 tonnes of sediment daily, they said.

## Clinton's failure to win 'fast track' authority from Congress

# Diplomats see cloudy prospects for global trade deals

GENEVA, Nov 11: Envoys to the World Trade Organization (WTO) expressed concern yesterday that US President Bill Clinton's failure to win "fast track" authority from Congress could cloud prospects for future global trade deals, says Reuters.

New talks on liberalising trade in farm produce set to start in the year 2000 might be the prime victim if Clinton is denied clearance to shape foreign trade pacts until the end of

his second and final four-year term early in 2001, according to the diplomats.

But they said absence of the authority, which gives US trading partners assurance that deals they have reached at the negotiating table cannot be picked apart by Congress, could also be a heavy blow to the idea of a "millennium" trade round.

"This is bad news indeed," said one senior ambassador to the WTO. "It throws an enor-

mous degree of uncertainty into the trade negotiation process."

"History shows that we need the leadership of the top single trade power (the United States) to get things done," said another diplomat. "Without fast track, the US position is going to look very hollow."

But some trade analysts were more sanguine. They noted that the last two international trade rounds were launched before the US administration at the time had won the authority.

And some trade envoys who were concerned at the growing popularity of regional trade agreements in Latin America, which they see as undermining the WTO, said the apparent collapse of fast track could refocus attention on global accords.

Clinton had been seeking the authority primarily to expand the North American Free Trade Agreement (NAFTA) with Mexico and Canada to Chile. But he also has a much wider "free trade agreement of the Americas" in his sights.

A House of Representatives vote on renewing fast track was suspended at the weekend when Clinton failed to win enough support from his own democrats.

Although the president was working with House leader Newt Gingrich, a Republican, to find a way out, and some Congressmen said a bill could be put forward again later in the week, one key US legislator has called the measure dead.

There was no comment on the development from WTO officials, who in the past have expressed concern that arguments

used by opponents of fast track reflected a growing constituency for protectionism in the United States.

"There is no immediate effect here in Geneva," said one trade source. "But certainly it will not be good for the WTO if something is not sorted out fairly quickly in Washington."

Fast track, enjoyed by the Republican administration from the third year of the 1986-93 Uruguay Round of global trade talks, allows a US President to negotiate trade pacts in the knowledge that they cannot be picked apart later by Congress.

The White House has the authority, the legislature can only approve — or reject — trade pacts in their entirety.

Negotiators say this is vital, especially in talks covering several sectors.

The only pact currently under negotiation in the WTO, a global accord to open up financial services, is covered by Clinton's fast track authority from the Uruguay Round.

A final month of talks on that issue gets underway on Wednesday with the aim of clinching a pact by December 12.

Diplomats and officials are optimistic that this can be done. Despite Asian and Latin American financial market turmoil.

No new global WTO round has yet been agreed, although the 15-nation European Union and some other powers have been pushing for new sectoral negotiations due to start up in the WTO from 1999 to be put into one package.

## Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 11th Nov. '97.

	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dir	44.8400	44.6605	44.5660
GB Pound	75.9807	75.6765	75.5164
D Mark	26.2753	26.1703	26.1149
F Franc	7.8462	7.8148	7.7982
C.Dlr	31.7054	31.5784	31.5116
S Franc	32.2182	32.0893	32.0213
JP Yen	0.3568	0.3554	0.3546

Name of Currency	Selling	
	T.T. & O.D.	B.C.
US Dollar	45.2090	45.2485
GB Pound	77.2740	77.3416
D. Mark	26.7737	26.7971
F. Franc	7.9945	8.0015
C. Dollar	32.2990	32.3272
S Franc	32.8335	32.8622
JP Yen	0.3671	0.3675

A) TT (DOC) US Dollar Spot Buying Tk. 44.7502

B) Usance Rate

30 60 90 120 180  
Days Days Days Days Days  
44.5791 44.0055 43.6318 43.2581 42.8844

C) US Dollar sight export bill 3 months forward purchase: Same as OD sight export Bill buying rate.

Currency	Selling	Buying
Saudi Riyal	12.0541	11.8817
UAE Dir.	12.3101	12.1331
KUW Di.	149.0669	146.8983
D Guilder	23.2521	22.9155
S Krona	6.0011	5.9096
Malay Ringgit	13.6860	13.4506
Sing Dollar	28.7589	28.3138

## Myanmar currency falls to new low against dollar

YANGON Nov 11: Myanmar's currency, the kyat, has fallen to new record lows against the US, dealers in Yangon reported Tuesday, says AP.

The dollar was fetching between 278 and 284 kyat from money changers using the unofficial rate. The government maintains an official rate of about 6 kyats to the dollar, but it is only used for state enterprises. Nearly all other business is conducted at the unofficial rate.

Dealers in Yangon cited the fall of neighboring Thailand's currency, the baht, as the cause of the kyat's decline. Under attack from speculators, Thailand floated its currency on July 2, and it has since lost about 40 per cent of its value against the dollar.

Thailand and Burma conduct a large degree of cross-border trade, and so currency dealers frequently hold baht in addition to the more widely-used US dollar.

Reports have come out of border areas in recent months of the kyat trading at about 300 to the US dollar. The borders areas, with their volatile mix of ethnic groups and some insurgents, are not as tightly controlled by the military government.

## 'Euro to have huge impact on Swiss franc'

ZURICH, Nov 11: The launch of the Euro single currency will have "enormous consequences" for the Swiss franc, the chief economist at UBS Bank said yesterday, reports AFP.

The economist, Peter Buomberger, told the Bund newspaper in Bern that from 1999 the Euro would compete with the Swiss franc as a reserve and investment currency, and part of the flow of world capital would move into the new currency.

Swiss interest rates would have to rise to rates prevalent in the Euro zone. The difference, now 2.0 percentage points, would disappear.

He expected the Euro to be strong because the future European central bank would be independent from political power.

## US Senate okays new dollar coin

WASHINGTON, Nov 11: It looks like Americans will have new coins jingling in their pockets as the new century begins, says AP.

The US Senate has approved legislation for a gold-colored dollar coin and for quarters honouring America's 50 states. A key subcommittee chairman said he expected House approval Wednesday or Thursday.

This will be the largest change in coinage we've seen in a long time," said Rep. Michael Castle, chairman of the House Banking monetary subcommittee.

The Senate, in passing the legislation by voice vote Sunday night sidestepped a controversy over who or what should replace suffragist Susan B. Anthony on the face of the dollar coin.

Castle and the Senate Banking Committee chairman, Sen. Alfonse D'Amato pushed for the Status of Liberty. But Sens. Barbara Boxer, Carol Moseley-Braun, and Lauch Faircloth, wanted a real woman or woman of historic woman.

As passed by the Senate, the legislation leaves the design up to the secretary of the treasury.



Shukhrat B Ibragimov, head of International Relations Department, Uzbekistan Airways, inaugurating the airline's computer reservation system (CURS) at Airspan Limited, its PSA in Bangladesh on Saturday.