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# The Daily Star BUSINESS

**HYUNDAI**  
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DHAKA SUNDAY, DECEMBER 7, 1997

## Fuji-Kodak row WTO rejects US claims

WASHINGTON, Dec 6: Ruling against the United States in a major trade case, the World Trade Organisation rejected American claims that the Fuji film company had conspired with the Japanese government to keep Eastman Kodak products out of Japan, reports AP.

Friday's decision represented a bitter defeat for Kodak, which had spent millions in the past two years to attack what it claimed was a rigged Japanese distribution system.

It also represented a second big trade defeat for President Bill Clinton's administration, which had forcefully argued Kodak's claims. Last month, the administration was forced to withdraw, at least temporarily, its efforts to win new trade negotiating authority from Congress.

Analysts said the WTO defeat, in such a high profile case, would increase protectionist sentiment in the United States that the current world trading system is unfair to American workers.

US Trade Representative Charlene Barshefsky said the ruling "sidesteps the real issues in this case" and failed to address the reality that Japan's film distribution system was closed to outsiders.

## Prices of essentials shoot up in Chuadanga

CHUADANGA, Dec 6: Prices of essentials have shot up in the markets of the district causing untold suffering to the low income group of people, reports UNB.

According to local people prices of rice, fish, vegetables, onion, pulses have marked sharp rise in the last fortnight.

At present coarse rice is selling at Tk 12 per kg as against Tk 10 while fine rice at Tk 14 as against Tk 12. Brinjal is being sold per kg at Tk 10 as against Tk 5, korolla per kg at Tk 15 as against Tk 10-12. Onion sells at Tk 30 per kg and masur dal at Tk 40.

Besides, prices of edible oils have also shot up in the market. Coconut oil is now being sold at Tk 150 per litre as against Tk 100, soyabean oil at Tk 60 as against Tk 50 and mustard oil at Tk 60 as against Tk 55.

The price of fish is also beyond the reach of the common people due to its acute scarcity.

## Pak stocks fail to gain much from political normalcy

KARACHI, Dec 6: Pakistani stocks failed to gain much benefit from the end of a political crisis earlier this week which had kept investors gloomy, dealers said today, reports AFP.

The Karachi Stock Exchange 100-index gained an overall 17.11 points during the week to close at 1,789.35 on Friday.

Osama Bin Shoaib, a dealer at a leading brokerage house, said poor economic indicators overshadowed the end of the political crisis which saw Farooq Ahmed Leghari resign as president.

"Falling foreign exchange reserves, lower-than-expected cotton production forecasts and a shortfall in government revenue collection are discouraging major players," he said.

The headline share index surged by 40.51 points to 1,829.73 after Leghari resigned on Tuesday, but it fell by 29.61 points and 10.77 points on Thursday and Friday respectively as the economic gloom settled.

## Thai govt to set up hotline to avoid panic as companies close

BANGKOK, Dec 6: The government is to open 100 telephone hotlines Monday to ease expected mass anxiety over the closure of up to 58 suspended finance firms, newspapers said Saturday, reports AP.

Customers of the firms, most of which are expected to close their doors, will be able to get advice by telephone on how to sort out their financial affairs.

The companies were suspended after accumulating massive bad loans during a time of boom in the highly speculative real estate sector.

The collapse of the firms precipitated Thailand's worst economic crisis in modern times. The International Monetary Fund stepped in with a 17.2 billion dollars bailout after laying down tough conditions, including the liquidation of insolvent companies.

The firms are stuck with non-performing loans of up to 400 billion baht (9 billion dollars). Shutting them down would begin the biggest ever restructuring of Thailand's financial structure, and lead to foreign majority ownership of many of the country's 15 commercial banks.

Last week, the bosses of the 58 companies apologised to depositors, creditors, shareholders and employees who will lose their jobs.

# Asian crisis will retard global growth by 1 pc: IMF

WASHINGTON, Dec 6: In its most extensive assessment so far of the financial firestorm sweeping Asia, the International Monetary Fund said Friday the crisis may soon be contained but has already shaved nearly a full percentage point off world growth next year, reports AP.

At the same time, the lending agency defended the tough austerity programmes it is imposing, saying Asia's battered economies have no choice but to make painful reforms.

Deputy IMF Managing Director Stanley Fischer and other

IMF officials briefed reporters Friday in Washington, a day after the IMF's 24-member executive board gave its final approval of a 21 billion dollars loan programme for South Korea.

The IMF loans will be part of a total package of international assistance for South Korea that is expected to top 60 billion dollars, making it the largest bailout in IMF history, surpassing the 48 billion dollar programme for Mexico two years ago.

Earlier this year, Thailand

received approval for 17.2 billion dollars bailout package and in October, Indonesia received a 40 billion dollars bailout as one after another of the once strong Asian economies has fallen victim to plunging currencies, stock market declines and spreading bankruptcies.

Fischer said that it was essential for South Korea, Thailand and Indonesia to follow the stiff reform plans they agreed to in return for the IMF bailout assistance so that they can stabilize the current crisis.

"We are confident these programmes will succeed if fully implemented," Fischer said. "We are confident that doing so is the best way to restore growth of the miracle economies of Asia."

But Fischer said the fallout from the turmoil, which resulted in the biggest one-day point loss in Wall Street history, has already taken a toll on the world economy.

He said the IMF has revised its estimate for economic growth to 3.5 per cent for 1998, down from its 4.3 per cent forecast just last September.

Private economists have predicted that growth in the United States is likely to be reduced by one-half percentage point next year, reflecting slower growth in US exports to the troubled Asian economies and higher imports from those countries because their weaker currencies will make their products cheaper in the US market.

The United States has pledged five billion dollars in backup support for South Korea should an initial 35 billion dol-

lars provided by the IMF, the World Bank and the Asian Development Bank prove insufficient to stabilize the South Korean economy. The US support is part of an estimated 25 billion dollars in assistance from individual countries that would be used as a second line of defence.

South Korea became the latest victim of the Asian financial crisis last month when officials were forced to seek IMF help after the country had seriously exhausted its foreign currency reserves trying to defend the South Korean currency.

## Discussion on investment held in Sylhet

SYLHET, Dec 6: State Minister for Foreign Affairs Abul Hasan Chowdhury today laid emphasis on the united efforts of all political parties for easy facilitation of poverty, says UNB.

"Poverty alleviation would be an easy task if all political parties unite in the efforts of the country's economic development," Chowdhury said while addressing a discussion on Foreign Investment and Economic Partnership here.

The Investor Forum Sylhet, Bangladesh (IFSB) organised the discussion with its president Sekil Chowdhury in the chair.

The visiting 15-member delegation of Tower Hamlets Council of London, including its Mayor, and the leading businessmen and industrialists of greater Sylhet district attended the discussion.

The state minister urged the expatriate Bangladeshis to contribute to the economic uplift of the country by making investment.

He said the government of Prime Minister Sheikh Hasina has extended various incentives, including tax-holiday on fresh investment, to inspire the investors.

Education Affairs vice chairman of Tower Hamlets Council, Soyful Islam, councillor Rajan Uddin Jalal and Syeda Zebunnessa Huq, MP also spoke on the occasion.

The Tower Hamlets Council of London has been working to extend cooperation to the development activities of Sylhet Poursava and other areas, said a PID handout.

## KNM may face closure any time

KHULNA, Dec 6: Country's only newspaper mill — Khulna Newspaper Mills — may face closure any time as its huge output remained unsold for months together, reports UNB.

Due to shortage of buyers it has already drastically cut its production. At present, some 5000 mts of newspaper worth about Tk 10 crore remained unsold in its godown for want of buyers.

Mill sources said its per day production in three units was at 150 metric tons and in the absence of buyers it has been forced to curtail its production. It single unit is now produces only 10 to 15 mts daily.

The mill has already lost its home market as the customers are using high quality foreign newsprint. The officials apprehended that if the situation continues, the mill which is now plagued with acute financial constraints, will face closure in near future.

The publishing companies and the newspaper industries are preferring high quality imported newsprint, mill sources said.

The mill officials opined unless quality of the mills product in not improved there is no chance to regain the local market and the mill will continue to incur losses.

## US unemployment rate falls to 5pc

WASHINGTON, Dec 6: US Unemployment unexpectedly slipped to 4.6 per cent for November, with 404,000 jobs created in the month the Labour Department reported yesterday, says AFP.

The jobless rate is the lowest since October 1973 and down from 4.7 per cent last month. Analysts had expected the jobless rate to rise to 4.8 per cent and had anticipated 200,000 new jobs.

There was more good news for workers as hourly wages rose 0.6 per cent in November for a 4.1 per cent rise over the year.

The interest rate on the treasury department's benchmark, 30-year bonds rose to 6.145 per cent shortly after the jobless figures was announced. The rate had been 6.041 per cent.

## Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public on 4th to 6th Dec '97.

Buying			
Name of Currency	TT Clean	OD Sight Export	OD Transfer

US Dlr	45.2900	45.1100	45.0100
GB Pound	75.8194	75.5181	75.3507
D Mark	25.4323	25.2313	25.2751
F Franc	7.5992	7.5690	7.5523
C Dlr	31.7259	31.5999	31.5298
S Franc	31.5020	31.3768	31.3072
JP Yen	0.3480	0.3466	0.3458

Selling			
Name of Currency	T.T. & O.D.	B.C.	

US Dollar	45.6595	45.6990
GB Pound	77.0370	77.1037
D Mark	25.9121	25.9345
F Franc	7.7402	7.7469
C Dollar	32.3176	32.3456
S Franc	32.1006	32.1284
JP Yen	0.3580	0.3583

A) TT (DOC) US Dollar Spot Buying Tk 45,000			
Days	60	90	120
44.8245	44.8471	44.8887	44.8883

## New scrip Leather exporter hopes to raise Tk 5.16 cr from capital market

By M Shamsur Rahman

An export-oriented leather goods manufacturer, Samata Leather Complex Ltd, has received Securities and Exchange Commission (SEC) approval to raise Tk 5.16 cr in IPOs.

The company, with an annual turnover of about Tk 35 crore, is offering 5.16 lakh ordinary shares worth Tk 100 each for public subscription, which will begin soon. Ten per cent of the shares will be reserved for non-resident Bangladeshis.

Company officials said the

main purpose of the issue was to increase its production capacity by setting up a new unit. They said the new unit would increase the production capacity from current 60 lakh square feet of crushed and finished leather to 90 lakh square feet.

The new project will cost approximately two crore taka for importing machinery from Germany and Italy, with the rest Tk 3.16 crore remaining as working capital, according to Company Secretary and Chief Executive M Mohsin.

"Almost 80 per cent of our total produce is exported to Hong Kong and Italy, and the rest 20 per cent goes to China and France. Like all other 100 per cent export-oriented companies which use local raw materials, we get a fifty per cent tax rebate," Mohsin said.

Starting business as a private limited company in 1990-91, it is now joining the ranks of such manufacturers as Apex Tannery and Lexco, both of which are listed with the bourses.

## Bid to join WTO China makes progress

GENEVA, Dec 6: Detailed Chinese plans to open up its vast service sector to foreign companies as part of its long-running bid to join the World Trade Organisation were welcomed Friday as a step in the right direction — but only a step, reports AP.

"We're making some steady progress," China's vice minister of trade Long Yongtu told reporters after emerging from the latest meeting of a working party negotiating China's entry to the global trade body.

The negotiating group chairman, Pierre-Louis Girard, said China's plans to liberalise its service market, which expanded on previous offers, was "warmly welcomed" by other WTO members.

However, the meeting also heard concerns that the offer was "not as comprehensive" as widely wished because sectors like telecommunications were missing, said Girard.

"Overall, there was a feeling that while this offer represented a substantial improvement over China's previous service offers, there was still a need for clarification," said Girard, a Swiss diplomat.

The WTO is the main international body governing global trade relations and setting fair trade rules. There is general agreement that China should join the club and be bound by its responsibilities, but no consensus on the price for this.

Beijing wants to enter as a developing country, which would oblige it to take only fairly gradual measures to cut barriers to imports of goods and services.

## United Insurance gets SAFA award

Star Business Report

South Asian Federation of Accountants (SAFA) has awarded the United Insurance for the best published corporate annual report and accounts for 1995.

The award was handed over to the Chief Executive of the company, M Harunur Rashid, by the Minister for Commerce, Trade and Investment, Muhammad Ishaq Dar, at the 12th SAFA conference held at Lahore recently, says a press release.

This is the first time in the corporate history of Bangladesh that a company has received such a prestigious award from an international body.

The competition was held earlier in Sri Lanka on a regional basis (SAARC).

The competition covers the evaluation of compliance of statutory requirements, accounting practices, disclosures, timing of publication and overall get up and presentation.



From right to left: Lt Gen (Retd) Nooruddin Khan, Minister for Energy and Mineral Resources, Lucille J Cavanaugh, Chairperson, Mobil Asia Pacific Pte Ltd, Dan P McDermott, President & MD, Mobil Oil Bangladesh Ltd and Mr John C Holzman, US Ambassador to Bangladesh.

## Mobil Asia Pacific chief ends visit

Lucille J Cavanaugh, the newly appointed Chairperson of Mobil Asia Pacific Pte Ltd concluded her two-day visit to Bangladesh yesterday, says a press release.

Her visit marks Mobil Corporation's strong commitment towards developing additional energy resources in Bangladesh, as well as bringing the latest high tech manufacturing expertise for lubricants and nationwide distribution of environment friendly LPG cooking gas. Mobil has proposed to invest over Tk 110 crore in Bangladesh.

On the occasion, a dinner was hosted in honour of Cavanaugh. Lt Gen (Retd) Nooruddin Khan, Minister for Energy and Mineral Resources, Dan P McDermott, President & Managing Director, Mobil Oil Bangladesh Ltd and Mr John C Holzman, US Ambassador to Bangladesh attended the dinner among other dignitaries.

## Gala opening for Hotel De Castle

Star Business Report

Hotel De Castle, the newest entrant in the hotel business in Bangladesh, unlocked its doors on Thursday with a gala opening ceremony.

The wife of a British diplomat, J. Michael Phillips, inaugurated the hotel.

Diplomats, high civil and military officials, members of travel trade were present on the occasion.

The Chairman of the hotel, A N M Alamgir (Salim), Managing Director, Masabur Rahman, Executive Director Shahadat Hussain and Directors Mujibur Rahman and S M Faruqi Hasan, were on hand to receive the guests, says a press release.

Situated near the diplomatic enclave, 10 minutes' drive from the international airport and 20 minutes away from the business district of Motijheel, two units of the beautifully designed four-storey hotel in Banani takes the guests away from the din and bustle of the city.

## BP, Meghna sign MOU to set up jt venture plants

Star Business Report

British Petroleum (BP) and Meghna Petroleum Ltd have signed a MOU to establish joint venture lubricant and LPG plants in Bangladesh.

Jeremy Bowen, General Manager of BP Middle East Ltd, and K L Karmaker, General Manager of Meghna Petroleum Ltd, signed the memorandum of understanding on behalf of the two companies at Sonargaon Hotel on Wednesday, says a press release.

Chairman of Bangladesh Petroleum Corporation Fazul Haque, and Chairman, Meghna Board of Directors and Joint Secretary of the Ministry of Energy, Azharul Islam, were present at the signing ceremony.

A lubricating oil blending plant, and an LPG import and storage terminal with a bottling facility will be constructed in Chittagong. The firms aim to market 25,000 metric tonnes of lubricants and 50,000 metric tonnes of LPG annually.

Bowen said that BP was delighted with the prospect of the investments in such exciting projects in Bangladesh with a partner such as Meghna.

Karmaker said that Meghna will be working closely with BP in the development of both projects.



Signing ceremony of the memorandum of understanding between British Petroleum and Meghna Petroleum Ltd.

## ROK conglomerate goes bankrupt

SEOUL, Dec 6: South Korea's 12th largest conglomerate collapsed Saturday in what was seen as the first of a series of major bankruptcies expected under strict economic supervision by the International Monetary Fund, says AP.

Halla Group, best known for its shipbuilding and auto parts manufacturing, was declared bankrupt Saturday after defaulting on 220 million dollars in maturing debts over the past two days, creditors banks said.

It was the first chaebol, or conglomerate, to collapse under the strict conditions that the IMF attached to its record 60 billion dollars bailout package for South Korea's floundering economy.

The prescriptions called for — slower economic growth, tightened credit control and higher interest rates — raised the prospect of mass layoffs, labour protests and more bankruptcies, especially among South Korea's bloated, debt-ridden conglomerates.

Blair added at a ceremony at London's Waterloo station to mark Britain's taking over the presidency of the European Union January 1.

Blair said that he hoped to use the six-month presidency to make progress on easing a global export ban on British beef. It was imposed by the EU last year after news broke of a new strain of Creutzfeldt-Jakob disease which has killed at least 20 Britons.

# UK bans sale of beef on the bone from Dec 16

LONDON, Dec 6: Rib roasts and all other beef on the bone will be banned in Britain from December 16, the government announced Friday night, as farmers stepped up mass protests at ports over the new clampdown spurred by mad cow disease, reports AP.

Nearly 1,000 farmers besieged docks in Plymouth, southwest England, planning to stop Irish trucks they suspected were carrying beef from France — and found the vehicles packed with vegetables.

"It was definitely not a waste of time," said Richard Haddock,

vice-Chairman of the Devon county section of the National Farmers' Union, who was allowed by police to examine the cargoes. "It proved that beef could come through this port."

The demonstration at Plymouth, 180 miles (300 kms) from London, was the biggest since Wednesday's announcement of the proposed British ban.

Britons have largely ignored the government health warning, with butchers reporting brisk sales as people rushed to stock home freezers before the ban came into effect.

Protests continued at the south England port of Dover, where some 250 farmers brought traffic briefly to a standstill on Thursday night, and at the Welsh ports of Holyhead and Fishguard, Seaforth in northwest England, and Stranraer in Scotland.

Announcing the ban date, Agriculture Minister John Cunningham said, "I have acted swiftly within the powers I have to protect the public."

Beef without bones, such as fillet steaks, will remain on sale.

In Dublin, the Irish government, following the controversial British lead, said beef on the bone should be withdrawn from sale, but stopped short of imposing an outright ban.

"While recognising that the risk to the consumer is extremely low... until this issue can be more fully investigated no beef with the backbone attached should be sold to the consumer," Irish Health Minister Brian Coward said.

He added that butchers should remove any backbone from beef before sale, and dispose of the bones as unfit for human consumption.

Britain decided on the ban after scientists said there was a slim chance that bovine spongiform encephalopathy — the scientific name for mad cow disease — can get into the human food chain through bone marrow.

In London, Prime Minister Tony Blair warned farmers to stay within the law, said his government was determined to ensure free movement of imports, and would provide no increased subsidies for farmers.

"We fully understand the distress and difficulties of farmers," Blair added at a ceremony at London's Waterloo station to mark Britain's taking over the presidency of the European Union January 1.