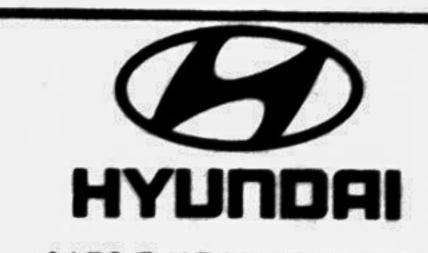
DThe Daily Star DUSINESS



CARS THAT MAKE SENSE

the meeting.

thereon.

year 1997.

present.

Second AGM

of CSE held

The second annual general

Amir Khosru Mahmud

The meeting approved the

Audited Accounts of the ex-

change for the year 1996 and

Directors & Auditors' Reports

pointed M/s Rahman Rahman

& Hug as the auditors for the

expressed sincere gratitude to

the members and the CSE Sec-

retariat for their active role in

building CSE as a modern ex-

Board of Directors, including

Vice-presidents M Salman Is-

pahani, Habibullah Khan, AK

Chowdhury, Directors AQI

Chowdhury, Syed Mahmudul

Hug, SM Abul Kalam, ORA Ra-

sul Nizam, Nurul Qayyum

Khan, Mostaqur Rahman, MKM

Mohiddin and Fariduddin

Ahmed Chowdhury, were also

The members of the new CSE

The meeting also re-ap-

At the meeting, the president

Russia to reduce import duties on foreign cars

MOSCOW, Dec 27: Russia plans to reduce import duties of foreign cars, Russian Minister without portfolio Yevgeny Yasin said on Thursday, according to the Interfax news

agency, reports AFP. We hope that customs taxes on importing cars could be lowered if the economic viability of this measure is proven," Yasin told a meeting of the government commission on portectionist measures against for-

eign automobiles. No explanation was made of how substantial any reduction could be.

14 major projects to be implemented in Barisal

BARISAL, Dec 27: A total of Tk 2,45,76,724 has been sanctioned for the implementation of 14 major projects in four districts of Barisal division during the current fiscal year, says BSS.

According to official sources, the projects to be implemented include the construction of 14 RCC box culverts at different places of the road communication of these districts. Of the total, five projects will

be implemented in Barisal, seven in Jhalakati, one in Bhola and one in Pirojpur districts. Work on the projects will

soon and is expected to be completed within this fiscal year, the sources added.

The communication system of these districts is expected to be developed to a great extent after the implementation of the projects.

Iraq may resume oil export soon

BAGHDAD, Dec 27: Iraq Oil Minister General Amer Rashid said today that Baghdad expects to resume oil exports under the UN oil-for-food accord within a

week, says AFP. "Iraq is going to resume its crude exports as soon as UN Secretary General Kofi Annan has approved the aid distribution plan that we submitted to him two days ago, and we expect that will happen in a week; Rashid told reporters.

Yeltsin not happy with economic performance in '97

MOSCOW, Dec 27: Russian President Boris Yeltsin vesterday in his weekly radio address expressed dissatisfaction with the country's economic performance in 1997, reports Xinhua.

The ITAR-Tass news agency quoted Yeltsin as saying it is evident to most people that economic successes are few in the outgoing year.

"The daily life of many of our citizens is still difficult, people reasonably complain of the slow pace of reforms, the President

Yeltsin said, "we will correct our mistakes and learn the lessons" to improve the economic situation.

The Russian President said that a main achievement in 1997 is the dialogues between confrontation sides, in his opinion, dialogue has replaced

stand-off in Russia. "Now matters are fought out not in streets but at the negotiating table, not political fanatics

are debating but those who know how to work". Yeltsin At the same time, the President said that there are few

businessmen who care for social problems of their employees, create new jobs, do charity. That is why the image of the

Russian businessman is not very attractive for Russians, he

Yeltsin called on Russian businessmen to learn again how to live together and share concerns.

China borrows \$3.5 b foreign loan to improve

environment BEIJING, Dec 27: China has borrowed 3.5 billion dollars in foreign loans to improve its

yesterday, reports AFP. Xie Zhenhua, Director of the State Bureau of Environmental protection, said at a conference on environmental protection that China has attracted more foreign funds to help treat pollution, the official Xinhua news agency said.

environment, an official said

In addition to the 3.5 billion dollars, China also obtained 180 million dollars worth of grants to reduce pollution in 1997, he said.

"China has been active in expanding international cooperation on environmental protection issues in recent years, signing a series of international conventions and agree-

ments," he said. has been safeguarding the interests of developing countries.

Bhorer Kagoj roundtable participants say

Politics is key deterrent to anti-default steps

Star Business Report

Speakers at a roundtable on financial sector reform yesterday identified political influence as a major factor for loans defaults and said reforms in the financial system must be accompanied by those in other sectors.

They also called for strengthening the supervisory capability of the central bank to fight defaulters.

The discussions were organised by vernacular daily Bhorer Kagoj and moderated by its editor Motiur Rahman.

Noted lawyer Dr Kamal Hossain said the main problem to arrest loan defaulting was that laws were not being implemented. He also said the government did not have the capacity to deal with financial corruption.

Dr Wahiduddin Mahmud of the Dhaka University said some realities of the country had to be changed for a healthy financial sector development.

"The problem of the financial sector has been created by political influence. Time has come to change the situation. The political leaders must not be obligated to any vested quarter, rather it should have its obligations to the people," Prof Mahmud said.

The other reality is that the

house, which opened its doors on Friday.

RICHMOND, Virginia, Dec

27: When Steven Bailey wants a

smoke he doesn't reach for a

Marlboro or a Camel, he pulls

out a Bailey's - a cigarette

made by his family company,

shadow of cigarette behemoths

like Philip Morris and R J

Reynolds, small companies are

fighting for a share of Ameri-

ca's 45.7 billion dollars a year

called microsmoke companies

in the United States, said

Gabriel Avram, a Winston-

Salem, North Carolina, lawyer

nows has picked a market

niche. Star Tobacco and Phar-

maceuticals Inc of Petersbourg

is aiming at the smoker with

health concerns, and is testing

a new method to remove some

cancer-causing compounds

budget-conscious smokers

wanting a premium quality

cigarettes. Bailey's are priced at

8.70 dollars a carton, well be-

low the premium brand price of

Cigarettes Inc. of Buffalo, New

York, and the Santa Fe Natural

Tobacco Co. Inc. of Santa Fe,

New Mexico, try to lure buyers

interested in natural products

Others, like Alternative

S-and-M is hoping to hook

who follows the industry.

There are about a dozen so-

Each of the tobacco min-

cigarette market.

from cigarettes.

about 14.75 dollars.

Bailey isn't alone. In the

S-and-M Brands Inc. says AP.

Small cigarette cos fight

for US market share

weakness of the sector has stemmed from the irregularities over a long period, he pointed

"The question now is if new rules are to be applied against these irregularities, would the people have confidence in the financial system?" he asked. "A situation of instability may be created by this. Since the goal of the government should be to realise defaulted loans, a mild approach could be taken in this regard. But then again, the question would be: what is the guarantee that irregularities would not be perpetuated in the

For this, he said, there should be enough signal from the government that irregularities in the future would not be tolerated.

"It is also true that all loans did not default because of irregularities or bad intention," Prof Mahmud said, "A big portion of it turned bad because of weak and wrong investment decisions. We have to ensure that whatever investments are taking place now, these are properly analysed to hedge against future defaulting."

Prof Mahmud said the defaulting loan has bloated to such a proportion that calcula-

Runa Laila, the celebrated singer, sang praise of Designer's Den, Dhaka's newest fashion

by advertising that their

the additives that have been put

in over the last few years, the

more they want to try" the

smaller brands, said Kenny

Peregory, who owns three Vir-

ginia Factory Cigarette Outlet

stores that cater to niche-mar-

have chosen isn't an easy one,

said Ack Kasprzak, a tobacco

analyst with Scott and

just big companies but gargan-

tuan multinational companies

that have been around a long

time," he said. "It's very similar

to what a small soda company

would face competing against

grower from Keysville in Vir-

ginia's Southside tobacco belt,

Steven Bailey and his father.

Malcolm, decided to start their

own cigarette company in 1994.

always wanted to do," Steven

Bailey said. "It seemed an

abrupt end to drop off the to-

bacco at the market. "He wanted

to start with the tobacco seed

and end up with the finished

with tobacco leaves and made

his own samples in a small

cigarette rolling machine.

Bailey, 27, experimented

"It's something my father

A fifth-generation tobacco

Stringfellow in Richmond.

The market the little guys

"Your competitors are not

ket smokers.

Coca-Cola.'

product."

"The more people hear about

cigarettes have no additives.

tions will prove that the banking system's capital structure is now on the negative side. "This means the sponsors have no stake in the banks' loss or profit. This is why sponsors take a short-term exposure on the banks and take out money from their own banks."

Kazi Abdul Majid, managing director of Prime Bank, said the central bank has a weak supervision system which must be upgraded. "The officials who give loans as directed by the board of a bank get promoted. This must be stopped.

Abdul Awal Mintoo, chairman of National Bank Limited (NBL), said it should be clear to all how much of the defaulting loan was the principle amount "It should be very small, and moreover, the government organisations mostly owe these loans," he said.

"We have to know why loans default," Minto said, "when loans are given, this is done knowing that these will default. Time is consumed and bribes are taken in sanctioning loans for which entrepreneurs default. The political turmoil hurts industries. These reasons have to be taken into account when talking about defaulting loans."

He said closure of the port

for a single day means creation of Tk 10 crore defaulting loan for his bank and everyday of hartal means Tk 3-4 crore in defaulting loans.

Ibrahim Khaled, deputy governor of the Bangladesh Bank, said outside influence on bankclient relationship must be stopped to check loan default-

Mahbubur Rahman, a director of NBL, said for best result, reform of the financial sector must be accompanied by reforms in other sectors as well

"Identify the actual defaulters and punish them," he said, "For this the supervision of the central bank must be improved.

CK Hyder of Metropolitan Chamber expressed doubts about the government's plan to complete the necessary reforms in the next two years, and warned of a deteriorating situation if the government failed to do so. He said the inflexible monetary policy of the government was hurting the industry.

Debapriya Bhattacharya, a BIDS researcher, said the civil society must create pressure on loan defaulters. "Reform steps must come in the next two months, otherwise nothing can be done."

Explosion at Shell

refinery in

Malaysia

explosion at a Shell refinery in

Sarawak injured 12 people.

sparked fires and forced the

plant to close indefinitely, offi-

cials said Friday. No deaths

Thursday night. Fires were still

burning in the two tanks at

Shell Middle Distillates Syn-

thesis Sdn. Bha. on Friday

evening as more than 200 res-

cue workers pumped water and

foam over the flames, Shell

spokesman Saperi Rambili

The explosion was on

were reported, says AP.

Saperi said.

control.

dustry hub.

precaution, Saperi said.

- Star photo

Pretoria-Beijing

economic ties

in the offing

Africa's trade and investment

with China are expected to blos-

som after Pretoria ditches long-

time ally Taipei in favour of

China and South Africa scared

to 1.35 billion dollars in 1996,

compared with 658.4 million

"We expect that to increase

dollars in 1993 and just 11.1

after the normalisation of

diplomatic relations," South

Africa's Ambassador-designate

to China, Christopher Dlamini,

told Reuters in a recent inter-

Chinese officials have fore-

A Chinese trade delegation

cast that trade between China

and South Africa could soar to

visited South Africa in Novem-

ber ahead of the switch and

signed 630 million dollars

worth of trade and investment

shocked Taiwan in November

1996 by announcing that Preto-

ria would switch diplomatic

recognition to Beijing from

as a rebel province since the

communists won the Chinese

civil war and drove the defeated

nationalists into exile in 1949.

China has sought to push Tai-

wan into diplomatic isolation.

Beijing has regarded Taiwan

President Nelson Mandela

contacts, Dlamini said.

Taipei by the end of 1997.

two billion dollars by 2000.

million dollars in 1991.

Two-way trade between

Beijing next year.

BEIJING. Dec 27: South

KUALA LUMPUR, Dec 27: An

improved.

WB report on Bangladesh says

Population growth rate edges downward

The rate of population growth has edged downward from 2.5 per cent to around 2.2 per cent while the contraceptive prevalence rate (CPR) has risen from 8 per cent to 45 per cent during the last 18 years, said a World Bank report, says BSS.

The draft report "Bangladesh, country assistance review" released recently. said the fertility has also declined from around 7 per cent to 3.3 per cent during the same (1975 to 1993).

Fertility has declined rapidly as people in large numbers continue to express their willingness to have small families and to delay first child birth, the report observed.

The report added that there has been a rapid increase in CPR under socio-economic conditions that would not normally have been conducive to acceptance.

"While growth performance during the eighties and nineties has not been spectacular, good progress has been made in improving the general well-being of the population," the report said adding with aggressive immunisation programmes, particularly from the mideighties, infant mortality has declined and life expectancy

According to World Bank.

meeting (AGM) of Chittagong Stock Exchange (CSE) was held at the CSE Training Centre, on Friday, says a press release. Chowdhury MP, founder President of the bourse, presided over

against 54 years in 1981. Over the last 20 years Bangladesh has built up an extensive health infrastructure. The country has 3,775 family welfare centres or health subcentres (rural dispensaries) at the union level and 349 thana health complexes, the report

the infant mortality has de-

clined to 77 in 1000 live births

in 1994 as against 111.5 in 1981

while life expectancy has in-

creased to 58 years in 1994

These are at least wellstaffed with medical and health personnel. A network of 5,000 salaried family welfare assistants and health assistants carries out services in the villages, the report said.

mentioned.

It said family planning ser-vices are now widely available as both government and nongovernment organisations are playing most important role. The contribution of the physicians, private clinics and traditional practitioners remain relatively small, the report added.

The report said external assistance has been accompanied by or facilitated rising total government expenditure on health and family planning. indicating it's growing commitment.

Stocks, dollar, bonds end higher in NY

NEW YORK, Dec 27: US stocks, the dollar and bonds ended higher on Friday in holiday-shortened sessions amid heightened worries over the fate of the Japanese economy and as South Korean stocks edged higher, reports Reuter.

Stocks trading closed early in an abbreviated post-Christmas session as overnight gains in South Korean stocks helped persuade investors to ferret out bargains.

The Dow Jones industrial The cause of the explosion. average index ended up 19.19 which occurred in the port of points, or 0.25 per cent, at Bintulu on the Eastern coast of the Borneo island of Sarawak is still under investigation

In the broader market, advancing issues led declines by 1,441 to 1, 198. Volume was The main concern now is to thinest for the year at 156 milstabilize the situation here. lion shares in a session that said Saperi. "The effort is to let ended three hours early at 1 the fire burn out." He described the scene as "very much under

"The overseas markets, particularly in Korea, had a rea-The plant was shut for safety sonably goodnight, and that reasons and damage assess provided US with the impetus ment. The company's 335 emto rally at the open," said Phil ployees have been told to stay Orlando, Chief Investment Offihome until further notificacer at value line's asset mantion. A nearby facility agement. "But nothing came Malaysia Natural Liquefied out of our own market to sus-Gas, was also shut as a safety tain it."

South Korea's main stock Shell MDS and Malaysia index closed up 6.74 per cent NLG are two of Malaysia's on Friday as investors believed biggest exporters in Bintulu. the worst of the financial crisis Malaysia's petro-chemical inhas passed with fresh International Monetary Fund assis-The dollar rose against the

yen amid mounting worries about the Japanese economy and fears of a brewing credit crunch that may cripple a number of cash-strapped Japanese corporations.

The dollar ended a shortened

session at 130.41 Japanese yen against 129.83 late Wednesday, and unchanged at 1.7730 marks.

"Dollar/yen is in a very slow uptrend, considering the poor economic fundamentals in Japan," added one trader, who noted that fears of intervention could not lend long-term support to the yen. He said that maintaining the dollar artificially low would make it only

more attractive. The Bank of Japan last week: intervened to the estimated tune of 10 billion dollar to prop up the yen after it slumped to a 67-month low against the US

The 30-year treasury bond, a bellwether of long-term interest rates, gained 5/32, or dollar 1.5625 on a dollar 1,000 bond. to yield 5.90 points, down from 5.91 per cent at Wednesday's close. Bond prices and yields move in opposite directions.



Mostaqur Rahman New director

of CSE Md Mostagur Rahman

FCMA, Managing Director of MRM Securities Limited, has been elected unopposed as a Director to the Board of Directors of the Chittagong Stock Exchange on the eve of the 2nd Annual General Meeting held in the port city on Friday, say a press release.

Rahman is a qualified cost and management accountant. Besides, he is associated with Lionism, and is currently the District Chairman of Lions District 315A2.

OOCL container becomes 1 millionth TEU at Qingdao

A 40-foot reefer container of OOCL recently became the one millionth TEU handled by the Port of Qingdao during 1997.

says a press release. Qingdao is the second port in China achieving this after Shanghai.

A ceremony to commemorate the achievement was held at the port with Wang Zeng

Rong, Deputy Mayor of Qingdao and Chang De Chuan, Director of Qingdao Port Authority officiating the ceremony which was witnessed by over 1,000 guests. "We feel honoured and proud to be part of this historic event and we congratulate the Port of

Qingdao for achieving this milestone. We at OOCL are committed to China and its future development and Qingdao is one of our target regions. We look forward to growing with the Port of Qingdao," said Bosco Louie, Director of Operations of OOCL (Asia Pacific) Ltd.

NZ may contribute \$104 m to int'l bailout of ROK

WELLINGTON, Dec 27: New Zealand may contribute up to 170 million NZ dollars (104 million US dollars) to an international bailout of South Korea, the New Zealand Herald said today, reports AFP.

Senior ministers were in conference until the early hours of Christmas day finalising a delay to tag an initial 57 million NZ dollars (38 million US dollars) to help the beleaguered

But the paper said there had been approval in principal to pay up to three times the 57 million already confirmed.

It said New Zealand and 12 other nations, including the United States, Japan and Britain would advance 36 billion NZ dollars (22 billion US dollars) in loans to Korea - a third of what they had originally agreed to.

Should Korea request the rest of the fund. New Zealand's share could total 170 million, the Herald said.

This would include the 57 million it would draw from either financial reserves or loans, and hand over early next month

Zealand's fifth-largest trading partner, receiving almost one billion NZ dollars (60 million US dollars) in New Zealand exports. Opposition Labour foreign affairs spokesman Mike Moore

South Korea is New

"I think in a few more months, this situation will set-



Two gas tanks burn after they exploded at the Shell middle distillate synthesis plant in Bintulu in the Malaysian state of Sarawak Friday. Twelve people were injured, with ten already discharged from hospital, in the blast which resulted in the shutdown of the plant as well as a nearby liquefied natural gas production facility. - AP/UNB photo

The tourism industry, espe-

Crises in Korea send their sales slumping in NY By Bill Foreman, AP writer

NEW YORK, Dec 27: Display cases were crowded with gold designer watches, some marked down by 45 per cent, at Peter Yoo's jewelry store, but no one was buying, even at the height of the holiday season.

Business also was slow at neighbouring shops selling clothing, electronic goods and luggage in New York's Koreatown, and Yoo says the slump began earlier this month when

The Pacific Ocean hasn't

provided many Korean-Ameri-

can businesses much of a firewall from the financial meltdown in South Korea. Many merchants are recent Korean immigrants who rely on cashstrapped partners and family back home. And many said their customers have stopped spending, fearful the South Korean economic woes could bring them down, too.

"Even the people who came here 10 or 20 years ago like to ident of the United States.

Korean-Americans own more than 400 business in the Koreatown in the Flushing neighbourhood of Queens. The

area looks like a tiny Korean colony, with the smoky scent of barbecue in the air and whole blocks dominated by Korean businesses in boxy two-story storefronts seemingly airlifted in from Seoul. Even the sign over the Sears store is in Ko-

Surrounded by dress suits and orange-striped sweaters. Seo Kee-ok sat alone in her boutique during a recent Saturstore. "It's very quiet, just look Hardest hit will be the "binational" families that rely on

Seo said, scanning the empty

Korean financial sources to make mortgage, rent or tuition payments, said Edward Park, a sociology professor at the University of Southern California. The devaluation of the South Korean currency, the won, means they might have to ex-

ity on the part of, especially, Korean foreign students to return to colleges and universi-

cially on the West Coast, is in grave danger, Park said. Tourism from South Korea provided one of the few bright spots in Los Angeles after the riots of 1992 and the recent recession. Koreans and Korean-Americans

ties," Park said.

invested heavily in hotel and shopping centres that cater to Korean visitors there.

rean community.

Park doubts a quick turnaround in the Korean economy will save these investments. Rather, the crisis will test whether Koreans can redefine their business strategy and

"If they can they will ironically come out of this crisis

Many Koreans are hoping the election of a new Korean president last week will calm the crisis, said Sang Ki Kim, project director of the privately funded Korean Community Research Development Centre of Greater New York But Kim said much damage

stronger with a more diversi-

fied, locally grounded base," he

will have been done. He knows several college students who are making plans to return home early, and his Korean friends have already canceled travel plans to the United States. But he is hopeful the trouble

will end soon. tle down," he said.

said the stability of Asian economies was crucial to world economic and political stability.

South Korea's economic woes know Korea is doing well and change twice as much money to day in Flushing waiting for cusstarted to make headlines. that gives them more confitomers, who often drive in from make their payments in dol-"Since it was announced that dence living here. It's psycho-New Jersey and Long Island to Korea's Central Bank owed all logical," said Yoo, a 30-year resstock up on Korean goods. Of "If this crisis continues, look that money, all my business for major defaults in house and her four years in business, she just stopped completely," You said this year has been the business loans and the inabilattract business beyond the Ko-Instead, he said that China

> "It's very slow because nobody wants to spend money,"