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BUSINESS

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HYUNDAI
CARS THAT MAKE SENSE

Pak rupee down against dollar

KARACHI, Feb 7: The Pakistani rupee closed 0.15 down at 46.90 to the dollar in the kerb market today amid rising demand for the US currency on rumours of a devaluation of the rupee against the dollar, dealers said, reports Reuters.

There are strong rumours of a 10 per cent devaluation within the next few days, one dealer said.

Officials at the State (central) Bank of Pakistan denied the rumours but dealers said the market and the rupee was likely to fall further.

The SBP rate, last fixed on October 15, was 44.0500/44.2703 to the dollar.

The premium on foreign exchange bearer certificates closed at 4.60 per cent, from its previous close at 4.50 per cent.

Branch managers' confce of Islami Bank

Star Business Report

The chairman of Islami Bank Bangladesh Limited, Commodore Mohammad Ataur Rahman (Retd), has urged branch managers to be more responsible and efficient to build up the bank as an internationally standard one.

He was inaugurating a two-day long conference of branch managers at a city hotel on Friday, says a press release.

Mohammad Younus, vice chairman, of the board of directors of the bank, addressed the session as special guest.

It was presided over by M Kamaluddin Chowdhury, executive president of the bank.

In his speech Kamaluddin Chowdhury termed the current year "the year of consolidation and development" and emphasised the need to achieve the prime goal of the bank by working efficiently, sincerely and honestly through implication of shariah compliance, improvement of customer service, resource mobilisation, diversification, and consolidation of investment.

Loan disbursement in Patuakhali not satisfactory

PATUAKHALI, Feb 7: The district Agriculture Credit Committee at a meeting has expressed dissatisfaction over the disbursement of loan during the first six months of the current fiscal, reports UNB.

Officials said nationalised commercial banks (NCBs) and Bangladesh Krishi Bank disbursed Tk 3.61 crore against their target of Tk 9.83 crore during the period.

Deputy Commissioner M Habibullah, also the chairman of the committee, presided over the meeting.

Addressing the meeting, the DC described the loan recovery rate of the banks as miserable and advised the bank management to maintain a close contact with certificate offices for quick disposal of certificate cases.

Among others, general certificate officer, TNOs, local representatives from NCBs, Bangladesh Krishi Bank, Bangladesh Agricultural Development Corporation, district Fishery Department and Swarnbar Bangladesh attended the meeting.

Major gas field discovered in Pakistan

ISLAMABAD, Feb 7: An oil consortium has announced one of the largest commercial gas discoveries so far in Pakistan, saying it could increase the country's reserves by as much as 10 per cent, reports AP.

Officials with the British-based Hardy Oil and Gas, which has a 30 per cent stake in the venture, said Friday that early estimates show the South West Miano gas field in Sindh province could produce up to two trillion cubic feet of gas.

Pakistan's known gas reserves are around 20 trillion cubic feet, said the officials, who asked not to be named.

Shares in Hardy rose 37 pence (0.60 dollars) — or 15 per cent — to 285 pence (4.55 dollars) by close of trading on the London Stock Exchange Thursday, the Financial Times reported in London after reports of the discovery first surfaced.

Other shareholders in the venture include the Pakistan government, with five per cent, the state controlled Pakistan Petroleum with 30 per cent, and OMV, an Austrian company, which has 25 per cent, the officials said.

Quoting analysts, the Financial Times said that the find underlined Pakistan's growing importance as a gas producing country.

Much of the gas found to date in Pakistan has been of low quality, but gas in South West Miano was believed to be of good quality, and the field would be technically possible to develop, the newspaper said.

The find increased the possibility that Hardy will be successful in discovering other drill sites in the Middle Indus region, the report quoted Hardy officials as saying.

S Asians may now get better jobs in UK

Sanjay Suri writes from London

The British government is launching a "new deal" to help South Asian and other minorities get better job opportunities.

The launch of the new deal programme was announced by the influential British Minister without Portfolio, Peter Mandelson, while delivering the I.K. Patel memorial lecture here.

The annual lecture has been instituted in the memory of I.K. Patel, a philanthropist well-known among the Indian community who died three years ago.

Mandelson made the announcement after Shaantoo Ruparel, a leading solicitor, pointed out that Indians do particularly well in academics but do not find jobs to match later on. The new deal programme is aimed at helping youngsters to get "jobs, independence and self-respect," he said.

The programme will aim, he said, at "checking unemployment and consequent alienation" among youth. The government will take special measures to "ensure that ethnic minorities benefit from this pro-

gramme." It will take steps "to attract ethnic minorities and track their progress" through the new scheme, Mandelson said.

But he told the large number of Indian businessmen at the gathering: "We need business to act in partnership with the government and give placements to young people as the new programme gets under way." He said: "I hope you join the bandwagon to make the new deal programme a success."

The minister also announced new policy measures to tackle racial abuse. "The lives of far too many are lived in misery day in and out," he said. "We will crack down on mindless bigotry and thuggery."

The new Labour government, he said, is already taking a bill through Parliament to make racially aggravated crime and violence a separate offence. "But that is not the end of the matter," he said.

A new Race Relations Forum is being set up soon in which representatives of the minorities will be involved. "Ours is a

policy of inclusion, we will give them a strong voice at the heart of government," he said.

"We are determined to achieve a society where all have equal rights, responsibilities and opportunities," Mandelson said.

The minister told the large gathering of Indians that "it is our gain to our country that you all came here and I am thankful to you for that." Britain, he said, is proud of its multi-cultural history and is "better and stronger for that diversity."

Indians in Britain, he said, have created jobs for people and wealth for the nation. "And you reinforce important values for us, the importance of the family, and of a social and ethical framework to make life better for us all."

Indians, he said, form now "one of the wealthiest middle class groups of the future." He also spoke before the predominantly Gujarati audience of the "sophisticated personal finance strategies" developed by the Indian community.

— India Abroad News Service

Prime Bank earns Tk 9.61cr profit

Prime Bank Ltd earned a net profit of Tk 9.61 crore last year, says a press release.

It was disclosed at the bank's managers' conference held in the city yesterday.

Deposit growth of the bank during 1997 was about 35 per cent. The bank maintained capital adequacy ratio of 13.14 per cent which is well above the stipulated requirement of eight per cent.

The bank's return on capital fund had been 27.88 per cent.

At the conference, performance of all the branches during 1997 were evaluated and business targets for 1998 were planned.



A managers' conference of Prime Bank Limited was held in the city yesterday. Chairman of the Board of Directors Dr. RA Ghani inaugurated the conference. Managing Director Kazi Abdul Mazid presided over the business session.

Bid to cut dependence on US currency ASEAN nations to study using S'pore dollar as peg for trade

KUALA LUMPUR, Feb 7: Prime Minister Mahathir Mohammad said Saturday that Thailand, Singapore and the Philippines have conditionally endorsed a Malaysian plan to trade with each other in local currencies, reports AP.

Mahathir was speaking to reporters at the airport after completing a two-day tour of the three countries to drum up support for the proposal, which aims to reduce private companies' dependence on the US dollar in settling bills.

He said the three countries will also study a proposal for using the Singapore currency as a peg for trade in the nine-nation Association of Southeast Asian Nations.

The endorsements gained Saturday are conditional on the plan being found feasible by economic experts in each country.

"In principle, they have no objections but they will study the advantages and disadvantages of the Singapore currency being used as a peg," Mahathir said.

Only then will the plan be formalised.

Singapore was earlier reported to be lukewarm to the idea, which Mahathir had initially proposed in December.

No details of the new system have emerged but Mahathir has explained that while the international price would apply in

the purchase of goods, payment would be made in the currency of the country where the product originated.

He said Malaysia and the other three countries have agreed that the governors of their central banks should meet to work out the local currency plan in the form of a series of bilateral agreements.

ASEAN's members are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Myanmar, Laos and Vietnam.

With the exception of the last three, which have relatively closed economies, the currencies of others have been battered by a seven-month-old financial crisis gripping East Asia.

The hardest hit have been Thailand and Indonesia while the Singapore dollar has remained the strongest, sliding from 1.4 to a US dollar to 1.68 today.

In comparison, the Indonesian rupiah devalued by 80 per cent, and the Malaysian ringgit by 45 per cent. This has made the dollar prohibitively expensive for most businesses.

KL, Manila to establish payment arrangement

Another report from Manila says: The Philippines and Malaysia have agreed to establish a payment arrangement

that will let them use their own currencies instead of US dollars to trade with each other. President Fidel Ramos said Saturday.

Malaysian Prime Minister Mahathir Mohammad left the Philippines for Singapore Saturday after meeting Friday evening with Ramos to discuss the idea of conducting trade in Southeast Asia with local currencies as a means of overcoming the region's financial crisis.

"Prime Minister Mahathir and I agreed to facilitate the use of the Philippine peso and the Malaysian ringgit in Philippine-Malaysian bilateral trade," Ramos said in a statement.

"We instructed our respective officials, in coordination with the private sector, to develop the appropriate mechanism to implement this payment arrangement."

Mahathir told reporters in Thailand on Friday that Indonesia, Malaysia and Thailand had also agreed to trade with each other in their own currencies as a way of reducing dependence on the US dollar.

He said the countries would set up a "central clearing house" for currency transactions among the Association of Southeast Asian Nations.

ASEAN groups Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Indonesians urge WB chief Tie economic aid to demands for political reforms

JAKARTA, Feb 7: Community leaders vented their frustration with international lenders on Wednesday, urging the World Bank chief to tie economic aid to demands for political reform, reports AP.

At a forum, they also chided James Wolfensohn for failing to detect corruption and other weaknesses in the Indonesian economy that helped sink the value of the rupiah last year, along with other Asian currencies.

Wolfensohn, who has pledged 4.5 billion dollars in loans to the economically battered nation, acknowledged mistakes but appealed for focus on the plight of Indonesia's poor.

"Later you can tell me I was a fool, that I got it wrong," Wolfensohn told dozens of delegates in a hotel convention room.

"But right now, it's life or death. ... The question is, 'What do we do now?'"

The World Bank worried that East Asia's economic crisis will fuel unrest, plans to funnel more cash into employment programmes to help the millions of people likely to lose their jobs. Sporadic riots tied to hikes in food prices have already erupted in Indonesia.

Late Wednesday, Wolfensohn drove in a motorcade with a police escort to the edge of a north Jakarta slum where the World Bank sponsored a canal-clearing project. Swarmed by reporters, he chatted with residents down a muddy alleyway.

At the forum, members of non-governmental organizations said the root of Indonesia's economic woes was the cronyism that has thrived under President Suharto, whose family and friends have grown immensely rich during his 32 years in power.

Some delegates said they warned the World Bank years ago that economic growth

hinged on an overhaul of Indonesia's rigid political system. "It's inseparable," said Agus Purnomo of the World Wide Fund For Nature.

Wolfensohn pointed out that Indonesia must dismantle many of the elite's monopolies and subsidies to comply with terms of a 40 billion dollar rescue plan led by the International Monetary Fund. The World Bank aid is part of that package.

About 100 people held an anti-IMF protest on Wednesday outside Parliament, saying the financial crisis is worsening despite pledges that reforms will help the economy.

A few forum delegates said the Washington-based World Bank represented the economic interests of the United States and other Western nations, which want access to cheap markets. Others praised it for tying aid to tough economic reforms.

HK donates \$1.25m to poorest WTO members

GENEVA, Feb 7: Hong Kong's Geneva trade office yesterday donated 1.25 million dollars to help the poorest members of the World Trade Organisation (WTO), says AFP.

Hong Kong's permanent representative in Geneva, Stuart Harbinson, handed over a check to the WTO trust fund for technical assistance to less-developed economies.

"Much work cannot be funded from the main budget and we are pleased that Hong Kong, China can make a contribution to this important area of work by the WTO," Harbinson said.

Hong Kong is a fully-fledged member of the WTO because it is a separate customs territory. China has been battling to join the world trade body for 11 years. The next meeting of its working party on accession is scheduled to take place in Geneva at the end of March or beginning of April.

ANZ Bank opens Sylhet branch today

ANZ Grindlays Bank opens its 14th point of representation at Sylhet today, says a press release.

The branch will be inaugurated by David Smith, Regional General Manager, Middle East and Md Habibur Rahman, Divisional Commissioner, Sylhet.

This extends ANZ representation to five cities in Bangladesh.

The branch is located at the Sylhet Station Club Commercial Banking at Shah Jalal Road. Like other ANZ branches in Bangladesh, Sylhet branch is also fully automated and will provide full range of banking services including locker services.

ANZ Grindlays Bank is the only foreign bank in Sylhet.

Taiwan approves \$4.27b foreign investment in '97

TAIPEI, Feb 7: Taiwan approved 683 foreign investment projects worth 4.27 billion US dollars in 1997, up 73.38 per cent from the previous year, the economic ministry's Investment Commission said yesterday, reports AP.

Electronics, metals, service and banking and insurance were the most favoured sectors for foreign investors, the commission said.

Taiwanese outbound investment was also on the rise as the government gave the green light to 759 overseas investment projects valued at 2.89 billion dollars last year, it said.

The commission also approved 728 China-bound projects worth 1.61 billion dollars in 1997, up 31.34 per cent from the previous year.

Some 35,000 Taiwan enterprises have poured an estimated 30 billion dollars for various projects in China, with or without government approval. China treats Taiwan as a renegade province.

British oil revenues decrease

LONDON, Feb 7: British oil and gas revenues fell by more than a billion pounds in 1997 and face similar losses this year because of a weakening oil price, economists at the Royal Bank of Scotland (RBS) said in a report.

A 7.1 per cent drop in oil prices from 1996 to 1997 cost 1.25 billion pounds (2.1 billion dollars) in lost north sea revenue over the year.

Prices for benchmark Brent blend averaged 19.30 dollar a barrel in 1997, a dollar below 1996's 20.30 dollar a barrel. Values have so far averaged 15.50 dollar this year, according to Reuters calculations.

If prices continue this low and output rises as forecast to around 2.7 million barrels per day (PBD), Britain's North Sea oil revenues would fall by a further 1.36 billion pounds in 1998, said Stephen Boyle, a royal bank of Scotland economist.

The effect of price falls will outweigh production increases by some distance if prices stay at the same level as the first five to six weeks this year, said Boyle.

Combined oil and gas revenues averaged 44.3 million pounds sterling (73.3 million dollars) daily last year, well below the 48 million pounds earned every day in 1996, with daily oil revenues averaging 29.4 million pounds.

"The best you could hope for is that revenue in 1998 will be the same as in '97 and my guess is they'll be lower," said Boyle.

He added that a new "food-for-oil" deal between the United Nations and Iraq would push oil prices, and revenue, even lower.

The report said oil production fell by 0.5 per cent in 1997 for the second successive year, although output was only 3.4 per cent below the 1985 peak.

Oil production should increase in 1998 as new fields come on stream and 1997 start-ups raise their flow rates.

Dollar rises against major currencies

NEW YORK, Feb 7: The dollar rose against other major currencies Friday, spurred by a positive US employment report showing growth in the construction and real estate sectors, reports AP.

The dollar also was bolstered by the US Treasury and stock markets, which also found the report positive. Meanwhile in Japan, the government issued the gloomiest assessment of its economy in two decades.

The dollar also benefited from a dreary assessment by a German central banker who said Germany and France, Europe's two strongest economies, aren't ready to join into monetary union next year.

Other dollar-positive factors, analysts said, included President Clinton's meeting with British Prime Minister Tony Blair, an indication that the nation is not going adrift during the ongoing White House sex scandal, and the United States continuing its military buildup for a possible strike against Iraq.

"We have concerns about monetary union, we got a little war and a strong economy," said Hillel Waxman, chief foreign exchange dealer at Bank Leumi Trust Co. "All those together feed into making the dollar stronger."

In late trading in New York, the dollar rose to 124.12 yen from 123.43 yen late Thursday. The dollar also settled in New York at 1.8086 marks, up from 1.7867 marks.

Although the dollar's trading against the yen was volatile all day, the US currency got a boost as Japan's Economic Planning Agency said that Japanese economy was "stagnant," a harsh term not used since 1975. The agency said it couldn't tell if recovery or recession were next.

The dollar firmed a touch overnight — partly on the basis of the EPA report — but more so on fears that Japan won't be able to implement its touted reforms, Waxman said. Investors had been buying the yen on

faith that the Japanese government would finally take decisive steps to fix the ailing economy.

Then during European trading, Reimut Jochimsen, a member of the Bundesbank's policy-making committee, said that Germany and France can't get met the strict criteria to get them into monetary union next January 1. It's widely assumed that European monetary union can't succeed without those countries participating.

"That threw cold water on the Deutsche mark and had people move back into the dollar," Waxman said.

Early in US trading, the Labour Department announced that strong job growth in January held the unemployment rate at 4.7 per cent, near the 24-year low of 4.6 per cent hit in November. Construction accounted for the greatest job gains, a reflection of the strong housing market.

Robert Brusca, chief economist at Nikko Securities International Inc, attributed the dollar's gains to the "employment report and all that strength" in the US economy.

Other late dollar rates in New York, compared with late Thursday: 1.4605 Swiss francs, up from 1.4428; 6.0611 French francs, up from 5.9854; 1.4315 Canadian dollars, up from 1.4413; and 1.788 Italian lire, up from 1.76250.

The British pound was quoted at 1.6426 dollars, down from 1.6556 dollars.

Business Guide published

The second edition of Business Guide '98 (Babsa Nirdeshika, '98) containing business-related information has been published, says UNB.

Names, addresses and telephone numbers of about 20,000 business establishments and industries as well as business information of nearly 100 countries have been included in the Bengali language guide, said a press release yesterday.

Computer tariff case at WTO US claims victory over Europe

By Martin Crutsinger, AP Writer

WASHINGTON, Feb 7: Two months after suffering a major defeat before the World Trade Organisation, the Clinton administration claimed a victory in a case involving computer tariffs with Europe, reports AP.

The WTO ruled in favour of a US complaint accusing the European Union of levying improperly high tariffs on US-made computer network links.

Under trade organisation rules, the European Union can either drop the disputed tariffs or enter into negotiations with the United States to keep the tariffs but pay compensation.

"We are pleased the WTO panel has ruled that these tariffs clearly violate WTO obligations," US Trade Representative Charlene Barshefsky said Thursday in a statement.

In December, the United States was on the losing side of a WTO ruling. The agency, which sets the rules of world trade, rejected US claims after Eastman Kodak Co accused the Japanese government of conspiring with rival Fuji Film to keep Kodak film and photographic paper out of the Japanese market.

The WTO ruling in favour of Japan became final last week.

While that case had attracted much more attention because of Kodak's two-year battle over the

issue, the administration on Thursday sought to portray the computer decision as a much bigger trade victory.

Approximately five billion dollars in computer networking equipment is sold in Europe annually, and US companies account for about half of that market.

The computer dispute dates back to 1994, when the EU agreed to cut its tariff rates on all types of computer equipment. US computer companies contended that shortly after the agreement to cut tariffs, Britain and Ireland began reclassifying computer networking equipment into categories that allowed those countries to impose high tariffs on competing US products.

The computer companies claimed that the reclassifications nearly doubled the duties on their equipment. Since 1995, other EU countries have followed the lead of Britain and Ireland.

The United States filed its complaint with the WTO in February 1997.

Barshefsky said in her statement that in terms of the volume of trade affected, the computer ruling is the biggest case the United States has brought before the WTO since it was created three years ago.

Thai central bank takes over two more banks

BANGKOK, Feb 7: Thailand's central bank on Friday announced it was taking over ownership of two more of the country's troubled commercial banks and completing the takeover of a third, reports AP.

The paid-up capital of Siam City Bank and First Bangkok City Bank was being reduced with a write-down in the par value of their existing shares. Bank of Thailand Governor Chaiyayawit Wibulswasdi said at a news conference.

The central bank's rescue fund, which tried to bail out the banks last year, will convert its loans to them into equity, taking all shares in new capital increases. This will result in the government holding a 97 per cent share of Siam City Bank and 99.9 per cent of First Bangkok City Bank.

The central bank made a similar takeover of Bangkok Metropolitan Bank two weeks ago.

Chaiyayawit also announced the central bank was reducing the par value of shares in Bangkok Bank of Commerce — which it took over in a rescue

operation in May 1996 — to reduce its paid-up capital. The action will give the central bank a 96 per cent ownership share.

The central bank governor said this would be the last round of forced capital reductions, as 11 of the 15 Thai commercial banks were dealing with their own problems.

"These banks face no liquidity problems and they are increasing capital by themselves," Chaiyayawit said.

The central bank's rescue fund will suffer losses along with other existing shareholders of the banks that were taken over, Chaiyayawit said. Prior to the capital increases, the fund held eight per cent of Siam City Bank, 15 per cent of First Bangkok City Bank, and 75 per cent of Bangkok Bank of Commerce.

Chaiyayawit also announced the replacement of the directors of Siam City Bank.

First Bangkok City Bank's management was replaced by the central bank two weeks ago, and the Bangkok Bank of Commerce management was changed in mid-1997.

IMF approves quota rise

WASHINGTON, Feb 7: The Board of Governors of the International Monetary Fund (IMF) Friday announced the approval of an increase of 45 per cent in the total IMF quotas to approximately 221 billion special drawing rights (SDR), reports Xinhua.

The amount is equivalent to about 288 billion US dollars.

The adoption of the resolution, which required an 85 per cent majority of the total voting power of the IMF's membership, completes the 11th general review of quotas.

A member that does not have overdue obligations to the general resources account of the IMF will be able to consent to the increase in its quota at any time before January 29, 1999, an IMF news release noted.

In order to meet that deadline the member will have to have completed before that date whatever action may be necessary under its laws to enable it to give its consent. No increase in quotas shall take effect before the date on which the IMF determines that members having not less than 85 per cent of the total of quotas on December 23, 1997 have consented to the increases in their quotas.

A member's quota cannot be increased until it has consented to the increase and paid the subscription within 30 days.

Gulshan outlet of Instacolor opens