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# The Daily Star BUSINESS

DHAKA SATURDAY, JULY 4, 1998

**SANYO**  
Micro Computer Controlled Automatic Washing Machine ASW-40MT  
Tk. 25,000

## West Bengal workers go on strike to protest free market policies

NEW DELHI, July 3: Nearly four million industrial and transport workers went on strike today in the communist-ruled Indian state of West Bengal to protest at national free-market policies, unions, said, reports AFP.

The 24-hour shutdown began at 6:00 am across the populous eastern state, the Press Trust of India (PTI) said in a report from Calcutta.

The strike was called by the communist-run Centre of Indian Trade Unions (CITU) to denounce continuing economic reforms.

"We are also against rampant privatisation announced in the latest (national) budget," CITU General Secretary M K Pandhe said, adding that at least four million employees were involved in Friday's protest.

PTI said the strike shut down all industrial activity in the state.

Government-run buses and trams as well as state taxis and buses were affected while strikers demonstrated outside factories.

West Bengal, once the industrial capital of India, has over the years seen much of its industry shift to other states due to militant trade union activity.

**India-Kuwait jt venture**

## Delhi okays \$ 2b oil refinery project

NEW DELHI, July 3: India yesterday approved a two billion dollar oil refinery to be built by the state-run Indian Oil Corp and Kuwait Petroleum Corporation, reports AFP.

The federal cabinet gave the go-ahead for the refinery, to be located near the eastern port of Paradip and with an annual capacity of nine million tonnes, officials said.

They said Indian Oil Corp and the Kuwaiti firm would each hold equity of 26 per cent while the rest would be raised by a public share issue.

They said the project would be completed in four years.

India refines about 37 million tonnes of domestic crude annually.

Official sources say India will import about 30 million tonnes of crude oil and 18 to 22 million tonnes of oil products in the current financial year to meet domestic needs.

## Jhenidah Poura budget announced

From Our Correspondent  
JHENIDAH, July 3: Jhenidah Pourashava, Tuesday announced about Taka 11.39 crore budget for the new financial year.

M Anisur Rahman Khoka, Chairman of the Pourashava, unveiled the budget for the year 1998-99 at his office in presence of journalists.

Taka 6 crore 1 lakh 48 thousand 819 was allocated in the budget for construction of a bus terminal, roads, drains, culverts and extension of Jhenidah Press Club building.

No new tax was imposed in the budget.

UNB adds: Of the total income, Tk 3.37 crore will come from revenue collection, Tk two crore from government grants and Tk 6.01 crore from infrastructure development projects.

Tk 9.17 crore has been earmarked for development expenditure.

Ward Commissioners and officials concerned were present.

## Meherpur BSS adds: Meherpur Pourashava has approved its budget of Taka 20 crore for the fiscal year 1998-99, according to Pourashava sources.

No new tax has been imposed in the budget. The budget shows a surplus of taka two crore.

The main sectors of expenditures in the budget are construction of roads, drains, setting up of new street lights, shopping centres, hats and bazars and salaries of the pourashava staff.

## Tourist arrivals up by 9.3 pc in Nepal

KATHMANDU, July 3: Tourist arrivals in Nepal increased by 9.3 per cent during the first six months of this year compared with the same period of last year, the Department of Tourism said yesterday, reports Xinhua.

A total of 181,209 tourists had visited Nepal through the air route by the end of June as against 165,777 during the same period last year, the department said in a press release.

Visit Nepal Year '98 was launched in January with a target to attract half a million tourists this year. Tourism is a major foreign exchange earner for the Himalayan kingdom.

# ADB unveils tough policy on corruption

MANILA, July 3: The Asian Development Bank (ADB) yesterday unveiled a tough policy making corruption an issue in lending, saying tens of billions of dollars in foreign funds were lining pockets in the region, reports AFP.

Bank officials said the policy, approved unanimously by the ADB Board, aims to reduce "the enormous cost that widespread, systematic corruption exacts upon governments and economies" as Asia attempts to dig itself out of financial turmoil.

The ADB is a major development lending institution in the region approving 9.4 billion dollars in loans to Asian member countries in 1997.

The new policy is reflected in its 1.5 billion-dollar loan

package to Indonesia last month, which included "stringent auditing requirements as well as other measures to improve accountability and transparency" a bank statement said.

With the crisis hammering the region, the issue of corruption has gone beyond being "a political problem," said ADB general counsel Barry Metzger.

"It's an economic problem, particularly in the financial circumstances that the region finds itself in when the economies are slowing down... people are unprepared to bear the cost of corruption," he said.

Many Asian governments have realized "they have to come to grips with the problem of corruption as part of their response to the Asian financial

crisis," Metzger told a news conference at the banks headquarters here.

The ADB said it would work with governments to attack corruption on several fronts, including strengthening public institutions to make them more efficient, effective, accountable and transparent.

It would also press for market liberalisation and competition to break up monopolies, and to help governments on a case-to-case basis if they ask for anti-corruption assistance.

The ADB said it would raise anti-corruption issue in country programmes and development discussions with governments, while ensuring its projects and staff adhere to the highest ethical standards.

"If there is credible evidence

of corruption in bank-financed loan or technical assistance grant, the bank will address the issue in 'dialogue' with the country involved, said a policy paper put out by the bank.

"Breaches of specific loan regulations or covenants could result in a decision by management to blacklist the firm involved, suspend disbursements or cancel the loan," it said.

Anti-corruption provisions identical to those of the World Bank will be instituted and wide-ranging reforms in procurement procedures will be implemented, the paper said.

Roberto Beschel, ADB strategy and policy officer, said the exact cost of corruption was difficult to estimate.

But the policy paper said

previous studies showed the cost were staggering.

"Corruption can add between 20 per cent and 100 per cent to government costs for goods and services in several Asian countries," the paper said.

About 50 per cent of tax revenues are lost to graft, it said, adding that in some countries, losses due to corruption can total more than a country's foreign debt.

Citing an internal government report, the bank said the Philippines lost 48 billion dollars to graft over the past 20 years — surpassing the level of its foreign debt.

In one unidentified South Asian country, 50 million dollars daily is "misappropriated" because of mismanagement and corruption.

Following the success in London, researchers as well as producers here are optimistic about export of pineapple in other parts of Europe.

## CHT pineapple secures market in London

KHAGRACHHARI, July 3: A bright prospect has been created to export pineapple in European countries as Bangladeshi 'honey queen' variety secured a place in the London super markets, reports UNB.

The small-sized but tasty pineapple grows abundantly in Chittagong Hill districts and had a limited market within the region.

But the signing of the CHT peace treaty has opened up a new opportunity for marketing the fruit in and outside the country.

An attempt to market pineapple in London has been proved successful when a series of demands came following supply of a small consignment.

Officials of Khagrachhari Hill Agriculture Research Centre (KHARC) said they have sent 50 honey queen variety of pineapple in London in May last as a sample with the help of Manager of Hortex Foundation Dr Abul Kashem.

After necessary tests, these are confirmed free from diseases and any other harmful effect. Following this, another 1,800 pineapples have been sent to London in three consignments creating a surprising demand in the market.

The fruit traders in London have now sent a demand of 7-10 metric tons of pineapple per week.

Chief Scientific Officer at KHARC Dr Sabjal Uddin told UNB that a planned-way export of pineapple will earn a huge foreign exchange in one hand and on the other hand encourage the local farmers to cultivate the fruit throughout the year.

## US unemployment rate rises in May

WASHINGTON, July 3: US nonfarm payrolls increased by 205,000 jobs in June and the unemployment rate went to 4.5 per cent from 4.3 per cent in May, the Labour Department said yesterday in a report signalling sustained but less vigorous economic growth, reports AFP.

Average hourly earnings, closely watched as an indicator of wage-induced inflation, rose just 0.1 per cent in June and were up 4.1 per cent year-on-year — a result analysts said would be well received on financial markets.

The manufacturing sector, hard hit by the Asian crisis, lost 29,000 jobs in June, the sharpest drop since March 1996, the department said.

The June report slightly exceeded expectations on Wall Street, where analysts had predicted nonfarm payrolls to increase by 196,000 and for the unemployment rate to remain unchanged at 4.3 per cent.

For May, nonfarm payrolls were revised to a gain of 309,000, previously reported as a rise of 296,000.

Most of the jobs created last month were in the services sector, the Labour Department said.

In a separate household survey, the number of unemployed persons rose by 327,000 to 6.24 million in June.

## Pak freeze on foreign currency accounts eases

KARACHI, July 3: Pakistan yesterday partially lifted a freeze on foreign currency accounts imposed after its nuclear tests in May but said withdrawals would be allowed only in rupees at the official exchange rate, says AFP.

The deposits can be converted into rupees but restrictions on withdrawals in foreign exchange will continue, the central State Bank of Pakistan said.

An estimated 11 billion dollars in foreign currency accounts was frozen to prevent panic withdrawals after the five nuclear tests on May 28. Pakistan conducted another test on May 30.

## Stocks maintain upward trend

KARACHI, July 3: Pakistani stocks gained 15.01 points yesterday on foreign buying of leading issues to maintain an upward trend for the second day after prolonged pressure, dealers said, reports AFP.

The Karachi Stock Exchange 100-index closed at 878.18 with 103.74 million shares traded. On Wednesday, the index had closed at 863.17 points.

Traders linked the positive trend to court proceedings in a case filed by the government, which is seeking a reduction in the power tariff payable to Hub Power Company (HUBCO).

The market has been under pressure over the nuclear tests by India and Pakistan in May, coupled with a tariff tussle between the government and the independent power producers.

## Yen falls against dollar in Europe

LONDON, July 3: The yen fell against the dollar in Europe yesterday because of disappointment with a plan by Japan to clear bad debts from its banking system and at the absence of permanent tax cuts, reports AFP.

The yen fell to 141.41 to the dollar from 138.74 here late on Wednesday.

At Royal Bank of Scotland, economist Neil Parker said that investors judged that the Japanese government had never said that it would announce tax reforms," Parker commented.

The dollar did not react significantly to figures for US employment for June which were in line with forecasts.

The dollar remained strong against the mark at more than 1.82 marks.

The strength of the dollar against the mark surprises me because it is not backed by any fundamental data and in addition we hold that in the long term the mark is a better investment than the dollar," he said.

The pound was firm against the mark, at more than 3.02 marks, having slipped briefly early in the day on publication of a study by the Confederation of British Industry (CBI) showing an unexpectedly marked

slowing of growth of retail sales in June.

Most dealers expect the pound to remain above three marks in the next few days.

The market is nervous before a meeting of the monetary policy committee (on July 9) because the Bank of England spread confusion last month with an unexpected increase of interest rates.

The dollar was being priced at 1.8229 marks from 1.8170 late on Wednesday, at 141.45 yen from 138.74, 5354 Swiss francs from 1.5282 and 6.1118 French francs from 6.0925.

The mark was at 77.55 yen from 76.32, 0.8420 Swiss francs from 0.8407, 84.85 pesetas from 84.86, 985.19 lire from 985.25 and was unchanged 3.3524 French francs from 3.3524.

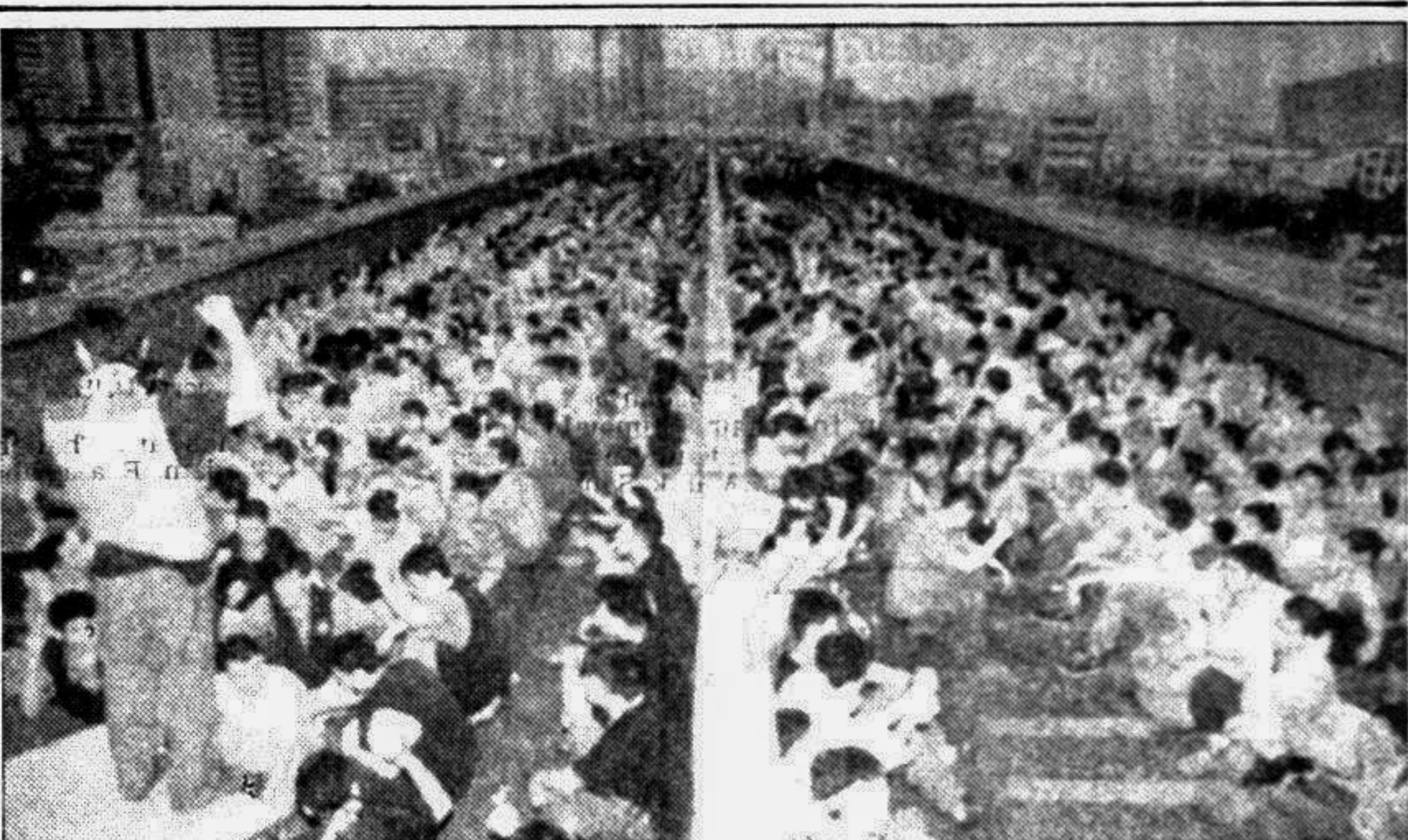
Sterling was at 1.6568 dollars from 1.6602, 3.0203 marks from 3.0177, 234.19 yen from 230.52, 2.5439 Swiss francs from 2.5377 and 10.1261 French francs from 10.1166.

The price of gold was 294.10 dollars an ounce from 295.55 dollars.

## Low oil income may jeopardise UN aid to Iraq

BAGHDAD, July 3: The slump in oil prices and Iraq's limited capacity to pump oil may jeopardise the supply of humanitarian aid to the sanctions-hit country, the head of the UN oil-for-food programme said yesterday, reports AFP.

The drop in oil prices and not having the capacity to export oil as much as possible would make this humanitarian programme jeopardised due to lack of funds," UN Assistant Secretary General Ben Sevan told reporters in Baghdad.



Local subway labour workers hold an anti-government sit-in rally on the railway track, demanding better working condition and job security in Pusan, 400 kilometers (250 miles) south of Seoul on Friday. More than 350 workers are arrested by police after the rally. — AP/UNB photo

## Asian stock markets close lower

HONG KONG, July 3: Asian stock markets ended the week generally lower Friday, with the key index in Hong Kong tumbling 2.6 per cent because of disappointment over Japan's latest plan to clean up its financial sector, reports AFP.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 226.85 points, or 2.6 per cent, to close at 8,639.31. On Thursday, the index had surged 323.06 points, or 3.8 per cent.

Brokers said share prices opened sharply lower because investors considered Japan's "bridge banks" plan to clean up the banking system as insufficient.

In Tokyo, the key index closed higher for the eighth straight day, after the prime minister voiced support for tax cuts.

The 225-issue Nikkei Stock Average climbed 39.66 points, or 0.24 per cent, to close at 16,511.24.

The Nikkei fell most the day on profit taking but soared more than 200 points in the last hour of trading after Prime Minister Ryutaro Hashimoto said in a campaign speech that he will favour permanent tax cuts.

Elsewhere: **BANGKOK:** Thai share prices closed lower on profit-taking. The Stock Exchange of Thailand index fell 4.24 points, or 1.5 per cent, to 273.74.

**TAIPEI:** Share prices closed lower, dragged down by a strong sell-off in technology stocks. The market's key Weighted Stock Price Index fell 58.48 points, or 0.7 per cent, to 7,758.63.

**MANILA:** Philippine shares closed generally lower, but advancing blue chips helped the market's main index eke out a slight gain. The Philippine Stock Exchange index of 30 selected stocks edged up 3.05 points, or 0.2 per cent, to 1,859.24.

**SEOUL:** Share prices closed lower on disappointment over the government's plan to privatize 11 state-owned corporations. The Korea Composite Stock Price Index rose 3.24 points, or 1.0 per cent, to 308.53.

**KUALA LUMPUR:** Malaysian shares closed lower as investors took profits on gains made over the last two days. The Composite Index fell 4.42 points, or 0.9 per cent, to 473.78.

**SINGAPORE:** Shares closed mostly lower on profit-taking. The Straits Times Industrials Index slipped 2.20 points, or 0.1 per cent, to 1,122.67.

## French sugar output rises

PARIS, July 3: Sugar output by France and its overseas territories is expected to rise 12.6 per cent in the year to September to 5.0 million tonnes, the sugar market authority said, reports AFP.

The major part of the sugar harvest is already in, but some overseas territories have yet to complete their harvests.

Cane sugar output fell 4.5 per cent from a year earlier, but beet sugar rose 13.7 per cent to 4.75 million tonnes.

Productivity reached a record level of 11.29 tonnes per hectare largely due to good beet harvests.

France is the world's largest beet sugar exporter and the third largest exporter of sugar generally, with sugar accounting for six to seven billion francs (1.0 to 1.1 billion dollars) of the annual trade surplus.

## French sugar output rises

JAKARTA, July 3: The foreign exchange reserves of Bank Indonesia (BI) increased by 7.6 million US dollars last week, the local press yesterday quoted a BI press statement as saying, reports Xinhua.

The central bank's foreign exchange reserves jumped to 14,609.5 billion dollars on June 26 from 14,601.9 billion dollars on June 19, the first rise during the last three weeks.

BI said the increase in the reserves mainly came from oil and gas exports.

## WB okays \$1b loan

WASHINGTON, July 3: The World Bank has approved a one billion dollar loan for Indonesia and a bank official said the International Monetary Fund was working on a six billion dollar package of loans for the Jakarta government that is expected to be ready in a matter of weeks, reports AP.

## Indonesian forex reserves up

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## Shipping Intelligence

**Chittagong port**  
Berth position and performance of vessels as on 27/98.

Berth No.	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Andhika Tarunaga	Rice(G)	Kaki	OWSL	13/6	2/7
J/2	Ryong Nam San	Rice(G)	Kaki	OWSL	13/6	2/7
J/3	Myohyang-3	C Clink	Sing	USTC	19/6	4/7
J/4	Rong Jiang	Rice(G)	Kaki	OWSL	14/5	13/7
J/5	Bai Sisters	Cl	Walo	Seacom	11/6	3/7
J/6	Lushan	Sugar(G)	Hong	Seacom	9/6	8/7
J/7	Yong Jiang	Cl	S. Hai	Bdship	27/6	8/7
J/8	Yayasanadau	Cl	Jaba	Prog	21/6	2/7
J/9	Kurnia Sejtadi	Rice(G)	Kaki	OWSL	17/6	3/7
J/10	Calatagan	Cl	Sing	Seaglor	17/6	3/7
J/11	Xpress Nil Giri	Cont	Sing	RSL	24/6	2/7
J/12	Kota Cahaya	Cont	Sing	PH(BD)	24/6	2/7
J/13	Banglar Robi	Cont	Sing	ESC	30/6	5/7
CCT/1	Nuptse	Cont	Sing	RSL	24/6	5/7
CCT/2	Prorsrich	Cont	Sing	QCSL	26/6	3/7
CCT/3	Banga Biraj	Cont	Sing	Bdship	28/6	3/7
RM/14	Ryomyong	Cont	Sing	Delmure	21/5	10/7
OCJ	Elang-III	C. CLink	Lank	Seacom	15/6	3/7
GSJ	Delta Star	Wheat(G)	Darb	RSA	20/5	3/7
TSP	Navigator-D	R. Phos	Jin	Seacom	14/6	3/7
RM/3	Ulyanovsk	CSO	P. Will	Seacom	21/6	2/7
RM/4	Wald Al Agouz	Cement	Pada	RML	R/A	6/7
RM/5	Delight Glory	Cement	Bang	PSAL	20/6	10/7
RM/6	Surabaya Express	Cement	Herin	MHCSL	6/6	3/7
DOJ	Banglar Shourabh	C. Oil	-	ESC	R/A	2/7
DD	Banglar Jyoti	Repair	-	ESC	R/A	10/7
DDJ/1	Tanary Star	Idle	Para	PSAL	R/A	5/7
RM/8	Pride of the South	Cement	Sing	RSA	R/A	5/7
RM/9	Banglar Doot	Repair	Sing	ESC	24/6	13/7
CUFLJ	Josie	Idle/Rice(F)	Kaki	USTC	28/4	-

## Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Banglar Mamata	6/7	Male	ESC	Cl	-
Banglar Kallol	2/7	-	ESC	Repair	-
Sin Hai (Cont)21/6	2/7	Sing	QCSL	Cont	Sing
Kinabali Enamessias(48)14/6	4/7	-	Cla	Gl(Log)	-
Da Fa 22/6	3/7	Sing	RSL	Cont	Sing
Banglar Shikha 23/6	5/7	Sing	ESC	Cont	Sing
Eso Argo	4/7	Jaka	Prog	Cl	-
Able Fusilier	8/7	-	Prog	Gl(Veh)	-
Diligence Cont 25/6	4/7	Sing	QCSL	Cont	Sing
Dong Fah	6/7	Sing	Baridhy	Cl	-
Manuslu 23/6	10/7	Col	Baridhy	Cont	Col
Hai Xiong 28/6	7/7	Sing	PH(BD)	Cont	Sing
Abuja 25/6	7/4	Sing	Baridhy	Cont	Col
Tapling Star 9/6	6/7	Sing	AML	Cont	Sing
Handy Lily	7/7	Sing	Ancient	Wheat(G)	-
Qc Teal 25/6	8/7	Sing	QCSL	Cont	Sing
Qc Pintail 28/6	8/7	Sing	QCSL	Cont	Sing
M. Regina 28/6	9/7	Sing	PH(BD)	Cont	Sing
Kota Berjaya 30/6	10/7	Sing			