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DHAKA, FRIDAY, SEPTEMBER 4, 1998

### Russian billionaire urges Yeltsin to resign

MOSCOW, Sept 3: Russian billionaire Boris Berezovsky on yesterday called for President Boris Yeltsin to resign and make way for a stronger power amid the country's financial turmoil and political vacuum, Interfax reported, says AFP.

Yeltsin should "without a doubt" resign "to open the political field up to a (stronger) political power," Berezovsky said.

He lauded Yeltsin's move to name Viktor Chernomyrdin Prime Minister, adding, "to propose any other candidate would be an erroneous decision."

Berezovsky's comments came days after he said, in a BBC interview on Friday, that Yeltsin resigned and presidential elections were held, Chernomyrdin would be the best choice for the country.

In that interview, he denied rumours that he had advised Yeltsin to sack Chernomyrdin's predecessor Sergei Kiriyenko last month.

The billionaire is said to be an influential background figure in the Russian government and touted for possible ministerial office in acting premier Chernomyrdin's administration.

His antidote to Russia's current crisis, he said last week, would be to heavily support the country's top 20 firms.

But Berezovsky on Wednesday said he had no plans to work for the government.

"For the time being, I'd understand the conditions of this government," he said. "I don't see how I could be useful there."

### Recession bite Ashok Leyland halves its employees

NEW DELHI, Sept 3: India's second largest truckmaker Ashok Leyland, has laid off half its 14,000 workers to combat a recession in the automobile industry, an official said today, reports AFP.

"Inventory costs are going up and so are the interest costs. Sales are almost down by 50 per cent and it makes no sense to manufacture more vehicles," a company spokesman told AFP.

He said all Ashok Leyland plants would operate a three-day week with the remaining workers receiving 50 per cent of their salary on the two days they do not work.

The measures would take effect immediately, the spokesman said.

The company whose net profits fell 36 per cent to 8.25 million dollars in the first quarter of the fiscal year to March 1999, said current inventories totalled 5,400 units, more than double the usual figure.

"Unless the industry looks up we will continue with this prudent management policy, there are no hopes for the industry's revival on the horizon, the spokesman said.

India's economic growth forecast for the fiscal year to March 1999 has been scaled down from an original seven per cent to five per cent.

### Foreign portfolio investors pull \$100m out of Indian markets

BOMBAY, Sept 3: Foreign portfolio investors pulled more than 100 million dollars out of India's stock markets in August, reversing a cautious return in the previous month, official figures released today showed, says AFP.

The Securities and Exchange Board of India (SEBI) figure showed an outflow of 108.1 million dollars in foreign portfolio investments for August, compared with an inflow of 19.7 million dollars in July.

India opened its bourses to overseas buyers in 1992 since then more than 500 foreign portfolio investors, mainly US and European pension and mutual funds, have pumped 8.7 billion dollars into the markets.

But recent trends, mirroring the turmoil in regional markets and domestic political uncertainty, saw foreign investors selling to the tune of 440 million dollars in the three months to June.

Despite the August figures, analysts predicted that September might see a turn around.

"The money that has been pulled out has to be invested in fresh stocks and this could bring in about 20 million dollars this month," said Defesh Kumar at foreign brokerage Abn Amro Equities.

"But the overall sentiment continues to be bearish and depressed," he said adding that the final figure for foreign portfolio investment in the current fiscal year could be one of the lowest ever.

JAKARTA, Sept 3: Indonesian government officials have ruled out for now the imposition of foreign exchange controls similar to those set up in Malaysia, a newspaper reported Thursday, reports AP.

Senior Economic Minister Ginandjar Kartasasmita said the government will not impose foreign exchange controls and will stick to the existing free foreign exchange system for the time being.

"But we will continue to study new developments," The Jakarta Post quoted him as saying Wednesday.

Indonesia is struggling with

## Chernomyrdin declines to step aside Russian govt 'powerless' to arrest rouble plunge

MOSCOW, Sept 3: The Russian rouble fell hard and fast Thursday, but Viktor Chernomyrdin insisted he would remain a candidate for prime minister despite opposition demands that he withdraw in favour of a compromise figure, reports AP.

Russia's financial crisis went from bad to worse on Thursday morning, a day after the government acknowledged it was powerless to stop the fall of the Russian rouble.

The official rouble rate fell to 13.5 roubles to the dollar (7.4 cents for each rouble); but traders said it was as low as 17.4 to the dollar (5.7 cents). The rouble had been trading at 6.2 to the dollar (16 cents each) last month before it began its slide.

Chernomyrdin appealed to Russians not to panic and to leave their money in banks, where he assured them it would be safe. But the plummeting rouble was certain to make depositors nervous and increase demand for dollars and other foreign currencies.

"You have about three weeks to assess the situation and take a correct decision," he said at the start of a Cabinet meeting.

There have been lines at some banks and currency exchange booths in recent days, but there has not been any

panic or unrest in the streets.

Meanwhile, Communist leader Gennady Zyuganov reiterated that his party will vote against Chernomyrdin when parliament holds a second round of voting on Friday. Communists and their allies blame President Boris Yeltsin's government for landing Russia in the current economic mess. Chernomyrdin was overwhelmingly rejected Monday in a first round of voting.

Russia has been operating with an interim government since Yeltsin fired Sergei Kiriyenko on Aug. 23 and named Chernomyrdin acting prime minister.

The political turmoil has left the interim government unable to devote its attention to the mounting economic crisis. Most of the debate has been focused on forming the new government instead of solving the economic problems.

The State Duma plans a second vote on Chernomyrdin on Friday, although some lawmakers have called for Chernomyrdin to withdraw and others are seeking another candidate.

"Neither my conscience nor my sense of duty allows me to take such an irresponsible step," Chernomyrdin told the Interfax news agency.

Chernomyrdin also rejected lawmakers' suggestions that he was using the prime minister's job as a springboard to a presidential bid in 2000 — even though he is widely considered to be a leading contender.

"I would like to see the nut who would call this a good starting point for presidential elections," he told Interfax.

If Chernomyrdin fails to win confirmation a second and third time, Yeltsin is constitutionally empowered to dissolve the parliament.

However, as Russia's rouble slipped again and the International Monetary Fund signaled it might delay a loan payment to Russia this month, the ranks of those opposing Chernomyrdin began to thin a bit.

Ultra-nationalist leader Vladimir Zhirinovskiy indicated Wednesday that his 50-member faction, third largest in the Duma, would support Chernomyrdin after having abstained from the first vote.

"It would be easier for him to continue the surgery since he has just come out of the operating room," the Liberal Democratic Party leader said.

Influential regional leaders in the Federation Council, parliament's upper house, also endorsed Chernomyrdin. The chamber will likely pass a reso-

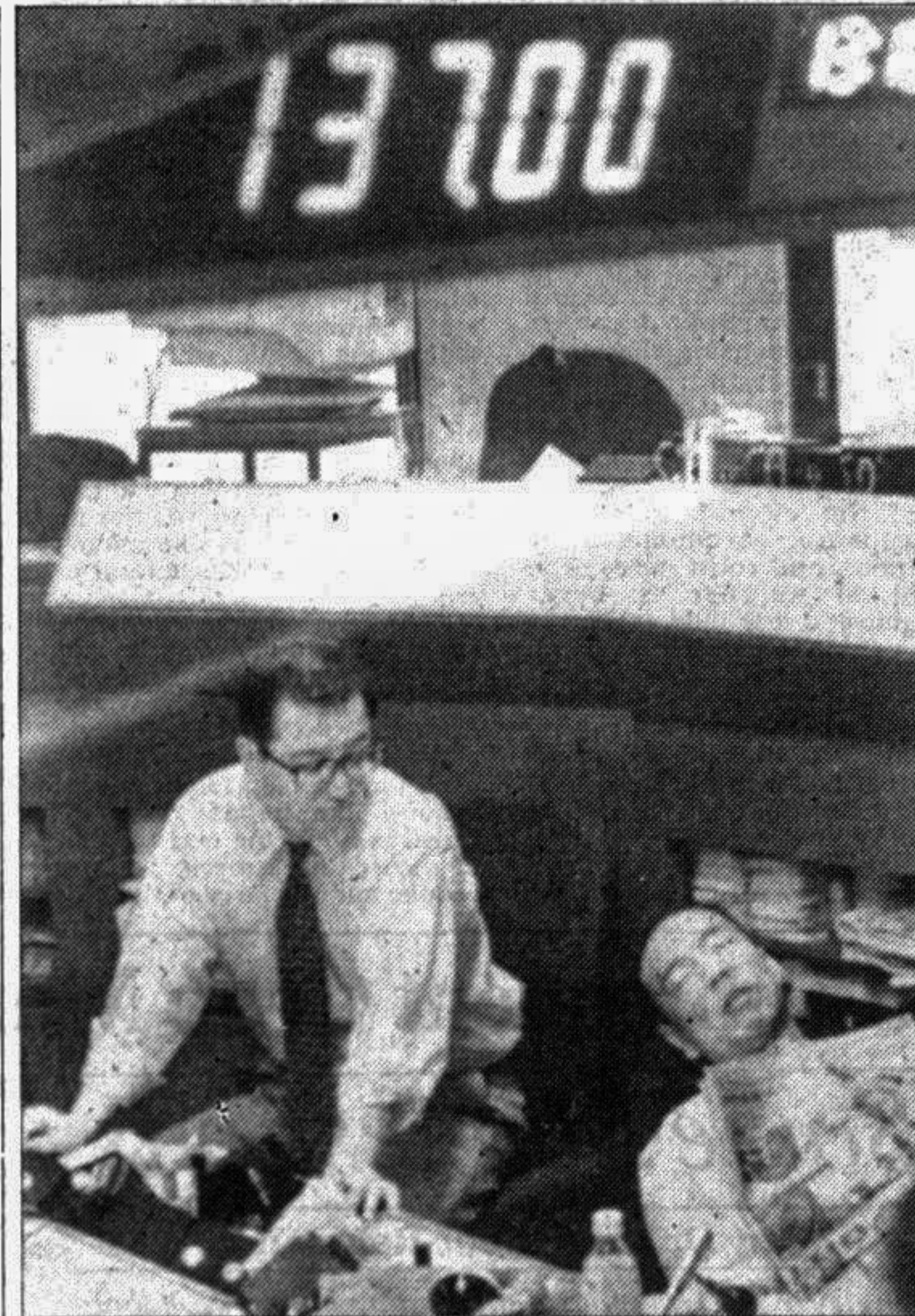
lution Friday backing Chernomyrdin's candidacy, council member Murtaza Rakhimov said — putting more pressure on the Duma, the lower house, to confirm him.

However, the Duma sent a letter to Chernomyrdin on Wednesday urging him to step aside. The Communists want a compromise candidate such as Moscow Mayor Yuri Luzhkov or acting Industry Minister Yuri Maslyukov.

Maslyukov, a former Soviet bureaucrat, was the only Communist in the Cabinet, appointed by Yeltsin earlier this year to appease parliament. But he resigned Thursday, citing differences with Chernomyrdin, among other reasons.

Zyuganov, the Communist leader, said the Duma could be ready to debate an impeachment motion against Yeltsin next week. The motion, like previous attempts, stands little chance of passing, given the president's strong constitutional powers.

Economic pressure was also increasing. Tax revenues were lower than expected in August and the rouble crashed through the lower limit of a government-set fluctuation band on Tuesday, beginning its three-day slide.



A money dealer glances at his colleague who is sleeping before the start of the afternoon trading at a dealing table of the Tokyo Foreign Exchange Wednesday. The US dollar against Japanese yen fell and quoted at 137 yen early afternoon amid lingering concern over the recent volatility on Wall Street. — AP/UNB photo

### Shell, Texaco plan European fuel alliance

LONDON, Sep 3: Oil giants Shell and Texaco said Thursday they want to combine their European refining and retail operations in a joint venture that will cut jobs and save money, reports AP.

The companies signed a non-binding memorandum of understanding on a deal that they believe would save \$200 million per year in a European refining and fuel market that long has been plagued by overcapacity.

Shell and Texaco said they could offer few specifics about their plans, which are not yet final.

They could not say, for example, how many of the 29,300 jobs in their combined refining and marketing work forces will be eliminated.

"It's too early to say exactly how many and where those will be," Shell spokesman Eric Nickson said.

It was also not immediately certain whether any refineries would be closed as part of the venture, which the companies hope to launch by mid-1999.

Those are issues that need to be discussed," Texaco spokesman Paul Bay said.

Shell had recently said it might close its Haven refinery east of London but Nickson said this was not part of the Texaco deal.

### Manila needs 5,000 programmers to deal with Y2K bug

MANILA, Sept 3: The Philippines will need about 5,000 specially-trained computer programmers to deal with the threat to computers posed by the change to the year 2000, the science and technology secretary said, reports AFP.

William Padolina told a Congress hearing that 200 programmers sponsored by a major business group were being trained to deal with the so-called "millennium bug."

But we need about 5,000 computer programmers trained to meet our objective to face the problem," Padolina warned, adding that the private sector and government should consolidate their efforts.

He also warned that the computers in medical life-support equipment could crash if the problem is not solved.

Padolina also called on congress to pass a law imposing sanctions on companies "which are not 2000-year compliant" although he did not say what the sanctions would be.

When the year 2000 comes many computers which do not read the first two figures in the year are expected to read "2000" as "1900," resulting in malfunctions.

NBR, DCCI meet held

A discussion meeting between the Chairman of the National Board of Revenue (NBR) and the Dhaka Chamber of Commerce and Industry (DCCI) was held at the DCCI auditorium on Wednesday.

DCCI President, R Maksud Khan, gave statistics of export earnings by the government in the recent years saying Bangladesh is following rules of free market economy.

In the free trade regime, he added Bangladesh industrialists are finding it difficult to maintain competitiveness because of high ratios of VAT and taxes and the problems of gas and electricity all of which are raising the production costs of Bangladeshi products.

NBR Chairman, Abdul Mueeed Chowdhury, said he would give priority to ensure transparency and speed in tax administration.

The NBR Chairman said a committee would be formed with private sector representation to periodically review and monitor the implementation of the policies and decisions.



THIS AIN'T A REGATTA: Flood has, more or less, been the cause for immense sufferings facing people in the city's affected areas, which has even forced many to look for alternative earning sources. The picture shows members of a family, who used to run small businesses on the road-sides in the pre-flood period, cruising in flood waters for selling guavas. — Star photo by Enamul Haq

## Germany ready to help build Bangladesh's trade capacity

German investors and businessmen are eager to bolster trade and investment links with Bangladesh, German Ambassador Uwe Schramm said in the city yesterday, reports UNB.

"Germany is ready to provide support to Bangladesh for institutional development and enhancing the trading capacity of Bangladesh," he told Commerce and Industries Minister Tofail Ahmed at a meeting at the latter's office, according to an official handout.

The envoy said that his country would respond positively if Bangladesh sought German help for the development of its potential export sectors.

He thanked the government of Bangladesh for allowing establishment of the German-Bangladesh Business Forum (GBBF) in Bangladesh.

Tofail said Bangladesh greatly value the help and support of Germany in building its trade capacity.

Seeking technological and infrastructural support for developing the country's computer sector, he said Germany could help expand computer education and training in Bangladesh, so that talented graduates could utilize their merit in preparing software and data processing which could create employment and increase import.

Emphasising expansion of

bilateral trade and investment relationship through GBBF, Tofail said, Germany has already topped the list of importers from Bangladesh among the EU countries, which was 510 million US dollar in the last financial year and 9.89 per cent of Bangladesh's total export earnings.

He urged the ambassador and GBBF executives to encourage German investors to invest in Bangladesh.

Team leaders of German Technical Cooperation in Bangladesh Michael K Nathan, GBBF president Syed J Haidar and Additional Secretary in charge of Commerce Ministry G M Mandal were present.

### C'wealth consultants hold talks on jute sector with minister

The visiting Commonwealth team of consultants yesterday called on State Minister for Jute A K Faezul Huq at his secretariat office, reports BSS.

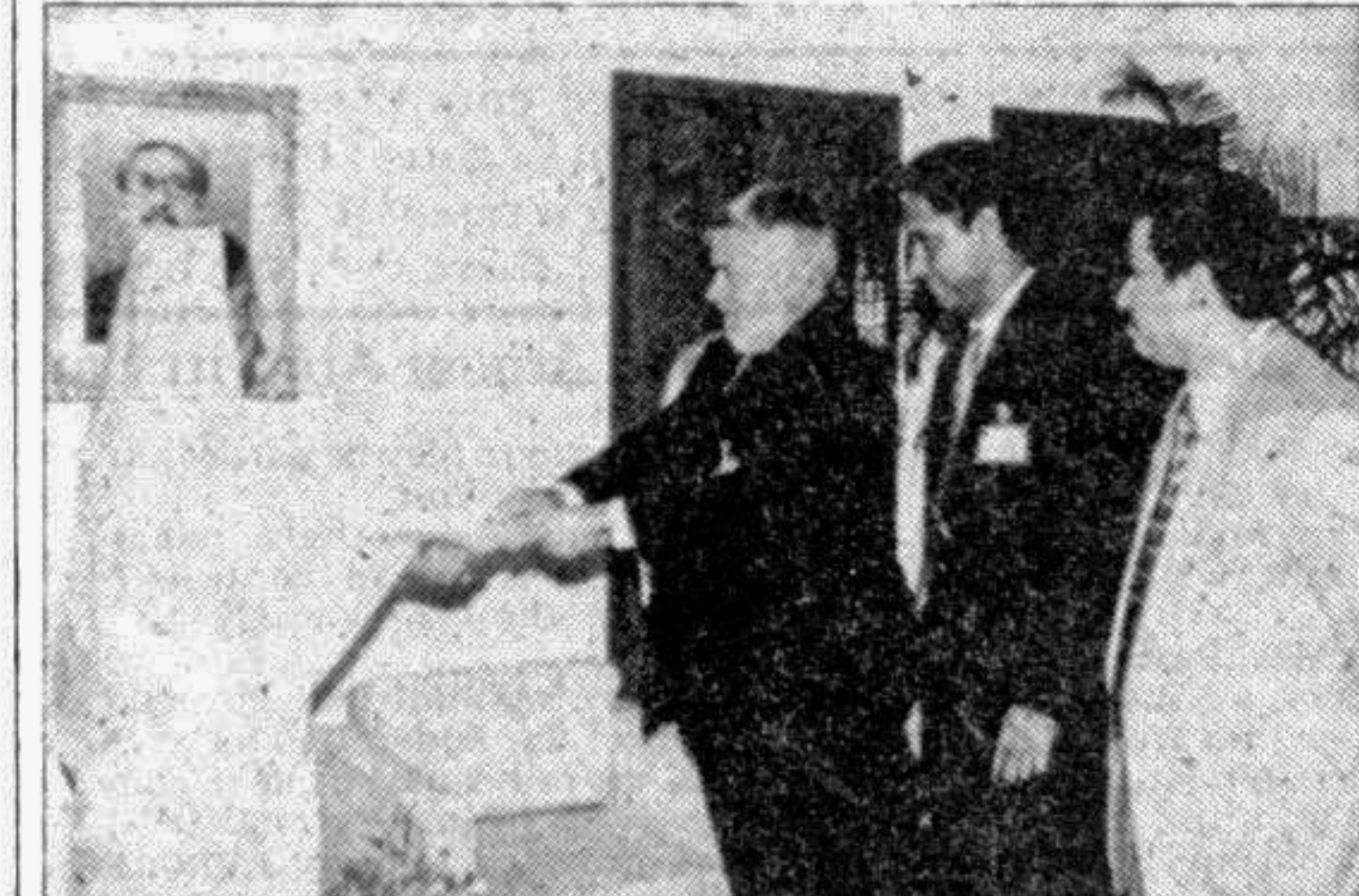
The members of the delegation discussed the overall situation of jute sector with the minister.

They also exchanged views on diversified uses of jute and the denationalisation of jute sector.

Earlier, the delegation also called on Mahfuzul Islam, Secretary, Ministry of Jute.

The delegation comprises David Croome, Keith Hillyer and A A Ahmed.

Joint Secretary of the Ministry of Jute A K M Rezaur Rahman was present.



Geoff Williams, Chief Executive of Standard Chartered Bank Bangladesh, presents a cheque for Taka five lakh to Prime Minister Sheikh Hasina for flood relief on Wednesday. S A A Masrur, Head of Corporate Banking, and Mamun Rashid, Head of Treasury and Institutional Banking of SCB Bangladesh, were also present. — SCB photo

## Jakarta rules out Manila-style foreign exchange control

JAKARTA, Sept 3: Indonesian government officials have ruled out for now the imposition of foreign exchange controls similar to those set up in Malaysia, a newspaper reported Thursday, reports AP.

Senior Economic Minister Ginandjar Kartasasmita said the government will not impose foreign exchange controls and will stick to the existing free foreign exchange system for the time being.

"But we will continue to study new developments," The Jakarta Post quoted him as saying Wednesday.

Indonesia is struggling with

its worst economic crisis in decades. Financial turmoil erupted last year with a plunge in the value of the rupiah.

Bank Indonesia Governor Syahril Sabirin said Indonesia could consider a fixed exchange rate regime.

"There are several alternatives that we are examining, whether a fixed rate, a peg, or a free floating system. The point is, we are still open," The Media Indonesia daily quoted Syahril as saying.

But he stressed that Malaysia's move to fix an exchange rate and enact capital controls wasn't necessarily the best for

Indonesia.

Under a deal with the International Monetary Fund, Indonesia is opening up its economy in exchange for billions of dollars in aid.

The government is targeting a year-end exchange rate target of 10,000 rupiah to the dollar. The rupiah was trading at around 10,900 on Thursday.

Meanwhile, as Indonesia sinks deeper into its worst economic crisis for decades rice has increasingly become the favourite target of looters and robbers reports said here today, says AFP.

In the central Java district

of Banyamans farmers were now camping their fields to prevent looters from snatching their rice harvest in the dark, the Jakarta Post daily said.

Marauding groups sometimes reaching 20 people, have been sighted in several districts along the southern coast of central Java, harvesting rice in the dead of the night, the daily said.

A farmer in Legok village of Banjarnegara district said thieves had cleaned out his rice field one week before he planned to harvest it, taking away two tonnes of unhusked grain.

## US Senate set to okay \$18b for IMF

WASHINGTON, Sept 3: The US Senate was set yesterday to approve 18 billion dollars in supplementary funding for the International Monetary Fund's efforts to stabilise economic crises in Asia and Russia, says AFP.

The Senate, which has already expressed support for the supplementary funding, was expected to reaffirm this stance in a vote on the US budget for "foreign operations."

However, the Senate's approval would come with an amendment, adopted Monday, officially recommending that the IMF refuse aid to any Russian government in which the communist party plays a major role in economic policy.

Support from the House of

Representatives for the IMF funding, meanwhile, appeared seriously threatened by opposition from a number of conservative Republican leaders.

In a letter sent this week to lawmakers, Republican majority leader Richard Armey wrote: "The evidence is now undeniable that the IMF has played a destabilising role in world financial affairs."

Russia simply took the IMF's latest 4.8 billion dollars loan installment and threw it into the currency markets, where it was instantly vaporised," armey wrote.

Also expressing opposition was Republican representative Jim Saxton, Chairman of the Joint Economic Committee of Congress.

### BIBM workshop on lending risk analysis ends

A 4-day workshop on lending risk analysis and decision making conducted by Bangladesh Institute of Bank Management (BIBM), was concluded yesterday, says a press release.

The main focus of this workshop was to equip the executives of banks and financial institutions with requisite skills for analysing credit risks and making proper decision in giving credits.

The workshop also discussed topics like interpretation and application of financial spread sheet, credit scoring system, business risks and security risks etc.

The concluding session of the workshop was chaired by Dr Muinul Islam, Director General BIBM.

He also distributed certificates among the participants.

A total of thirty-two executives representing different banks and financial institutions participated in the workshop.

Md Liakat H Moral, Ashraf Al Mamun and Mohiuddin Siddique, BIBM faculty members, jointly coordinated the workshop.