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The Daily Star BUSINESS

DHAKA, MONDAY, OCTOBER 19, 1998

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24-member UK trade team in city

A 24-member British trade mission led by Peter Lee of Mott MacDonald International arrived here yesterday on a six-day visit to Bangladesh, reports BSS.

The mission, the second from Britain during the current year, represents 18 British companies, a British High Commission press release said.

During their stay here, the members of the mission will have meetings with government officials and leaders of chambers of commerce and industry in Dhaka and Chittagong. They will visit Chittagong Port, Chittagong Export Processing Zone and Bangabandhu Bridge.

This is the first trade mission from abroad after the devastating floods.

It is expected that the mission will help promote growth of trade between the two countries and also facilitate further investment in Bangladesh, the press release said.

The visit of the mission has been organised by the Southern Asia Advisory Group of the United Kingdom's Department for Trade and Industry (DOT).

The visitors will attend a seminar in the city today, being organised jointly by DOT and the British High Commission.

British Airways' new website launched

British Airways has launched a new website for passengers and internet surfers in Bangladesh and South Asia - providing a convenient and comprehensive source of travel information and opportunities to win a free trip to London through the internet, says a press release.

The New British Airways website is the first by a foreign carrier on the internet-designed specifically for Bangladesh and the rest of South Asia. It can be accessed on www.britishtairways.com/bangladesh or www.britishtairways.com/regional/south-asia and offers many benefits including -

- booking travel out of Bangladesh and South Asia on the internet - eliminating the need to call or visit a British Airways sales shop or travel agent;
- members of British Airways' Global Frequent Flyer Programme can obtain an update on their mileage statements;
- all British Airways flight schedules, special Customer Service information and travel procedures in each city;
- information on British Airways Holiday packages by Options.

The new website offers internet surfers an interactive opportunity to win a free trip to London by filling in a postcard with their experience of how "The world is closer than you think."

Announcing the launch of Bangladesh and South Asia website, Kevin Steele, British Airways General Manager South Asia said: "British Airways' global website is already a huge source of travel information. The launch of the Bangladesh and South Asia pages is a reflection of our significant presence in the region. It is tailored to meet the needs of our customers in Bangladesh and South Asia."

Annan blasts US for its massive debt to UN

WASHINGTON, Oct 18: The United States has failed in its legal commitment and moral obligation to the United Nations, UN head Kofi Annan said on Friday in a critical reference to the US debt owed to the global body, reports AFP.

"It appears that the United States will squeak by paying just enough to avoid losing its vote in the General Assembly," said the UN Secretary General, who told the conservative group "Empower America" here that the UN's funding situation was "grim indeed."

"On the larger question - (Washington's) legal commitment and moral obligation to the United Nations and the 184 other member states - the United States has failed," he stated.

Joseph Connor, UN Deputy Secretary-General in charge of finances and administration, recently declared that Washington would have to pay 347 million dollars if it was to avoid losing its vote in the General Assembly, the fate which befalls countries which fall two years behind in their dues.

"Conservatives believe in the sanctity of treaties and contracts; they take a strong stand on responsibility and morality as well," Annan said. "I would like to think that you are as disturbed as I am by this outcome."

"Great nations keep their word," he declared. "The United Nations and the United States must face this world together."

According to UN figures, the United States has a staggering 1.6 billion dollars in outstanding debts to the international body, two-thirds of all the money owed to the United Nations.

IMF visit postponement deals another blow to Pak economic hopes

ISLAMABAD, Oct 18: Pakistan's hopes of a 1.5 billion dollar loan package received a blow yesterday as the government said a mission from the International Monetary Fund (IMF) had postponed a scheduled visit, reports AFP.

Hafiz Pasha, Advisor on Finance to Prime Minister Nawaz Sharif, announced the postponement of the October 21 visit in a statement to the official news agency APP.

Pasha, who held talks with the IMF in Washington earlier this month, said the Fund would fix a new date for the visit.

Pasha did not say why the visit had been put off or when it would be rescheduled.

However, he pointed out that the postponement did not mean the negotiations with IMF were halted. "The process is on," Pasha said.

Pasha denied the IMF decision was linked to an ongoing tussle between the government

and independent power projects (IPPs) over power tariffs.

Contracts for some 20 IPPs involving billions of dollars in investment by foreign companies were signed during the rule of former Prime Minister Benazir Bhutto.

The tariff dispute erupted earlier this year when Sharif's government started a probe into the contracts after allegations that the deals were secured through bribes and corruption.

The government has said the country's economy was severely damaged because of agreements with IPPs to purchase power at "exorbitant" rates putting unbearable burden on the state-run water and power development authority.

Pakistan terminated a power purchase agreement last Sunday with the British-run Hubco Company, ordering the federal investigation agency to look into its accounts.

Owned by a consortium in-

cluding Saudi, US, Japanese, French, Italian and Malaysian companies, Hubco produces 1,200 megawatts of electricity.

Sharif said in an address to the nation this month that "irregularities" had been detected in Hubco and other projects.

The government-IPP row has reportedly stirred concern among foreign governments, the IMF and the World Bank and hit investor confidence.

Pakistan and the IMF started the negotiations here in September as the country's foreign exchange reserves plunged in the wake of the US-led economic sanctions imposed after Pakistan's nuclear tests in May.

The sanctions stopped loans by the IMF and other multilateral agencies aggravating an existing economic crisis.

According to officials, the country's foreign exchange reserves have dipped to around 550 million dollars - causing severe balance of payments

UNDP for effective steps to eradicate poverty

GENEVA, Oct 18: The United Nations Development Programme (UNDP) today called on the international community to take the eradication of poverty as a priority and adopt effective measures to quicken the process, reports Xinhua.

The UNDP made the appeal on the International Day for the Eradication of Poverty, which fell today.

A report released by the UNDP said the combat against poverty is an imperative issue that all countries and societies around the world must face up to.

As the annual gross product of the whole world has reached up to 25 trillion US dollars, the spending of merely 1 per cent of it will be quite enough to eradicate poverty on a gradual basis, the report said.

It said that in the world today, there are still 2 billion people who do not have adequate food supplies lack basic sanitary facilities and live under poor conditions, each year about 12 million children died of curable diseases or from starvation.

The report pointed out that since the 1995 World Summit on Social Development, little progress has been made in eradicating poverty in developing countries while the gap between the rich and poor has continued to widen.

In some regions such as those south of the Sahara desert in Africa and the Caribbean region in Latin America, poverty-stricken people, who make up one fifth of the total population, have seen their income decline year by year, the report said.

The report said economic growths, in many poor developing countries have slowed down over recent years as a result that they have been plagued by the heavy burden of debts, that there has been little direct foreign investment in them and that insufficient development aid has been supplied to them.



Visitors having a look at fabrics at the BGMEA stall at Bangladesh Apparel and Textile Exposition (BATEXPO) '98 at Sonargaon Hotel in city yesterday. — Star photo

India seeks UN mechanism to help sanctions-hit third countries

UNITED NATIONS, Oct 18: India has urged the United Nations to set up a permanent mechanism, including a fund, to provide relief to third countries affected by sanctions imposed by the Security Council.

Speaking at a U.N. panel dealing with legal matters, Indian member of Parliament Dinanath Mishra said that the responsibility of dealing with the adverse consequences of sanctions rested with the authority which had the competence to impose them.

"That responsibility could not be passed on to other bodies or institutions such as the international financial institutions or bilateral aid programmes," he said.

The issue of sanctions and other enforcement measures as well as their effects on third states dominated the start of the discussions in the Sixth Committee on the report of the Special Committee on the Charter of the United Nations and the role of the world body.

Mishra said India attaches special importance to the question of assistance to states hit by sanctions and considers it necessary to find a permanent solution to this problem.

"The increased frequency of economic sanctions and the consequent increase in the number of adversely affected states make it necessary to establish an appropriate mechanism with a financial base which will immediately provide assistance to third states affected by sanctions," he said.

India, he said, is still examining the report of Secretary General Kofi Annan relating to implementation of the provi-

sions of the Charter on assistance to third states affected by sanctions.

However, India has noted that the report does not address the question of finding a permanent solution to the problem of assistance, he said. "This is not enough, the responsibility of the Security Council in this regard must be addressed," he said.

Mishra said that sanctions may be used as a last resort and should be implemented strictly in accordance with the Charter and should also take into account humanitarian needs.

"Sanctions should be defined in time and lifted as soon as their main objective of removal of a threat to international peace and security is realised," he said. "They should not be used as punishment," he added.

China's Gao Feng said that Beijing has never been in favour of using sanctions as the primary means to resolve international disputes. "The UN should take practical and effective measures to address the special economic difficulty and losses to third states," he said.

— India Abroad News Service

Indian shares set to be steady next week

BOMBAY, Oct 17: Indian shares are expected to be steady next week when the market will trade only for two full days, due to several Hindu holidays, brokers said yesterday, reports AFP.

The 30-share Bombay Stock Exchange sensitive index closed at 2,848.11 points Friday, down 65.55 points, or 2.4 per cent, from the previous week.

The National Index tracking 100-shares was down 31.52 points, or 2.4 per cent, to 1,269.53 points.

The BSE will trade for one hour Monday to mark the Hindu New Year and will be shut Wednesday and Thursday for the holidays.

Indian shares have been in turmoil the past couple of weeks

after the country's largest mutual fund, the state-owned Unit Trust of India reported a negative balance in the reserves of its flagship scheme, the US-64.

Worried investors continue to redeem units at UTI offices across the country and brokers said the fund's troubles would continue to dominate the market next week also.

New Delhi said it fully backed UTI and also reportedly asked state-run banks to buy units to meet the redemptions.

"The market's concerns on the UTI are still not over, despite the statements by the finance minister and these will be on top of the agenda next week also," said broker Ajit Ambani.

ROK product catalogue show on Oct 26

Korea Trade Centre, Dhaka, in collaboration with Dhaka Chamber of Commerce and Industry is going to organise a "Korean Products Catalogue Display" on October 26 at the Pan Pacific Sonargaon Hotel, says a press release.

About 2,000 copies of catalogues from 200 Korean companies will be displayed from textile machinery, fabrics, textile sub-material, paper, chemicals, transformer, construction, pharmaceutical, packing materials, plastic, medical and agricultural sectors.

The purpose of this event is to introduce Korean products to the local businessmen and entrepreneurs and to collect specific inquiries and opinions from the business community.

Weak dollar may prove a lifeline for Asia

HONG KONG, Oct 18: Asia-Pacific fund managers expect dollar weakness to continue in what could prove a lifeline for embattled regional economies, a survey said, reports AFP.

US investment giant Merrill Lynch said only 38 per cent of respondents to its October survey saw the dollar being the world's strongest currency next year, down from 67 per cent last month benefiting the yen in the bargain.

"A weak dollar is also seen as positive for the Pacific region as a whole," it said in a report received here, with 41 per cent predicting the region to strengthen in the next 12 months compared with 17 per cent last month.

"Dollar weakness could offer a lifeline to Asia," the report quoted Merrill Lynch global strategist Trevor Greetham as saying, following the cut in US interest rates.

"If the dollar stays weak it gives the Japanese a window of opportunity to print money, and boost growth, without fear of hurting political relations with the US and China," he

said.

A weak US currency also helped the rest of Asia more directly, he added.

China and Hong Kong are devaluing, but without the financial turmoil associated with breaking the (Hong Kong dollar) peg to the greenback.

Fund managers polled were turning more optimistic on investing in Asian markets, with buyers now outnumbering sellers for South Korea, Australian and Thailand, the report said.

"Managers have turned buyers of Hong Kong and China too, having been big sellers last month," it said, adding respondents planned to cut the amount of cash they were holding in Asian funds in favour of more risky asset markets.

"Cash in Asia funds has fallen to 17 per cent from September's record 21 per cent."

A growing number of respondents also expected the region's outlook to improve, Merrill Lynch said.

Eighteen per cent said prospects for profits were now favourable, from zero in August.

Russian crisis a deadly blow to health service

MOSCOW, Oct 18: Russia's financial crisis has dealt a deadly blow to the country's faltering health service, leaving doctors and nurses without wages and medicine and equipment in short supply, the health minister said yesterday, reports Reuters.

"The socio-economic crisis has hit all aspects of the health system, stopping us from doing our job," the newly-appointed minister, Vladimir Starodubov, told a news conference.

"People cannot get medical help when they need it... and the crisis is making people ill."

He said the rate of illness in Russia had grown in the first eight months of this year, with 21.5 million registered cases in a population of 150 million.

Cash earmarked for the sector in the government budget fell by 26 per cent. He gave no further figures.

"We want to support our employees, but we are not in a position to support them," Starodubov said.

"They want to do their job and

they've got hands and brains, but not the necessary materials."

Some doctors, nurses and other public health employees have not been paid for between three and eight months and, according to official figures, were owed some three billion roubles (187 million dollars), he said.

Trade unions say the backlog stands at five billion to 10 billion roubles.

Millions of Russians in both the public and private sectors are owed wages stretching back many months, prompting some to attend rallies calling for President Boris Yeltsin's resignation on Wednesday.

The government blames the delays on a complex web of debt that has built up between companies and between firms and cash-strapped state bodies including the armed forces.

Starodubov called for some additional capital to encourage a greater domestic involvement in the pharmaceutical market, which is swamped with western tablets and syrups.



A model sports a geometric fishnet sheath over a short matching dress designed by Herve Leger for his 1999 Spring/Summer ready-to-wear collection presented in Paris Saturday. — AP/UNB photo

ATTENTION
Due to a day-long halt, there was no trading on Dhaka Stock Exchange yesterday. Therefore, columns for prices of stocks listed with the Dhaka bourse remain blank. Today's transaction data sheet on page 10 deals only with yesterday's Chittagong stock prices.

Ctg Stock Exchange
Index falls further
CHITTAGONG, Oct 18: Week's declining trend on the Chittagong Stock Exchange continued for the second day today (Sunday) with losers outnumbering the gainers, reports UNB.

All Ordinaries Price Index of the country's second bourse dropped by .71 points or .27 per cent to close at 259.38 points from Saturday's 260.08 points.

Of the 53 listed securities traded on the day, 16 gained, 31 declined and six remained unchanged.

Some 2,234,975 shares and debentures worth Tk 4.80 crore changed hands as about 3,845,735 shares valued at Tk 85.5 crore on the previous day.

Chic Textile (786,000), Eagle Textile (606,500), Advanced Chemical (382,050) and Quasem Drycells (240,550) were the volume leaders.

There were no significant gainers and losers except Azadi Printer (+Tk 551.00) and Praga Insurance (-Tk 38.00).

Market capitalisation stood at Tk 45.94 billion equivalent to US dollar 947.21 million.

JB branch managers in Moulvibazar asked to disburse agri loan quickly
MOULVIBAZAR, Oct 18: The branch managers of the state-owned Janata Bank under Moulvibazar region have been instructed to disburse agriculture loan, quickly to the farmers who were affected by the recent devastating floods, reports BSS.

The instruction was made at a recently-held branch managers' conference of the Bank under Moulvibazar region, comprising Habigonj and Moulvibazar districts.

Abu Sahed Miah, Deputy General Manager (DGM) of the Janata Bank's head office attended the conference as the chief guest. The conference was also addressed by Mohmodul Alam, Assistant General Manager (AGM) of Moulvibazar regional office and Golam Mastafa, Principal Officer of the same office.

The DGM of the bank stressed the need for achieving targeted deposits and profits in each branch of the bank.

He also asked the branch managers to implement the agri loan programmes to rehabilitate the flood-affected farmers.

BB T-bill 7th auction held
The 7th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held yesterday, said a Bangladesh Bank press release, reports UNB.

Some 59 bids for a total of Tk 785 crore of 28-day bill, 1 bid each of Tk 5 crore for both the 91-day and 5-year bills and 5 bids each for Tk 17 crore and Tk 14 crore respectively for the 364-day and 2-year bills were offered.

Of the total offered bids, 43 of Tk 746.5 crore of 28-day bill and 1 bid of Tk 1 crore of 2-year bill were accepted.

No bid was offered for the 182-day bill and the bids offered for the 91-day, 364-day and 5-year bills were not accepted.

The weight average prices against the accepted 28-day and 2-year bills were Tk 99.36 and Tk 80.65 respectively.

TICAD calls for steps to fight poverty in Africa
TOKYO, Oct 18: Top African officials meet colleagues from rich nations in Tokyo today to discuss concrete steps to fight the continent's worsening poverty, reports Reuters.

"Poverty in Africa has become even more serious," the Japanese government said in a statement ahead of the second Tokyo International Conference on African Development (TICAD II).

"If the present situation continues, the growing disparity (between the rich and the poor) will become a major cause of world-wide social disorder."

A plan, to be considered by participants from 13 African nations, 69 other countries and 42 international organisations, calls for a sharp reduction in African poverty by 2015.

The conference, first organised by Japan and the United Nations in 1993, takes place in the shadow of a looming global recession as an Asian contagion spreads to other continents, including America and Europe, threatening aid to Africa.

"We are open to discussions on defects of Asian development. Many of us have allowed inflows of too much foreign capital," said Kiyomasa Ota, of the Africa division of Japan's Foreign Ministry.

A frail Yeltsin lacks energy for new reforms

MOSCOW, Oct 18: Since winning re-election in 1996, Boris Yeltsin has been on a two-year losing streak, reports AP.

His shaky health has become a national obsession and keeps him away from the Kremlin for days, and sometimes weeks, at a time.

The economy is suffering through its worst breakdown in the post-Soviet era, but he rarely raises the subject and hasn't even hinted at a recovery plan.

Even if he did, a growing band of critics argues, he's too weak physically and politically to launch any ambitious reforms before his term ends in 2000.

Always eager to show he's still in charge, Yeltsin has fired

the entire government twice this year. But to what end? The new government, led by Prime Minister Yevgeny Primakov, is a mishmash of politicians from various groups who are struggling to put together a coherent economic programme.

Yeltsin, 67, brushes aside worries about his health and says there is no chance he will quit before his term ends. The Russian constitution makes impeachment an unlikely option, yet the clamour for Yeltsin's resignation is louder than it's ever been.

"Every one of his public events is painful to watch," said Andrei Piontkovsky, a political analyst and harsh critic of the president. "He's out of touch. The state of his health and the

state of mind are deplorable."

Several leading Russian newspapers have urged Yeltsin to step down. They freely speculate about whether he has Alzheimer's disease, or a return of heart problems that necessitated quintuple bypass surgery two years ago.

Yeltsin's public approval rating is in the single digits, but the president's hard-line foes, have had difficulty turning this disenchantment into mass support.

Protests around the country on Oct. 7 drew about 1 million marchers, but the crowds were much smaller than predicted and have not resulted in any sustained labour unrest.

Still, the president is losing

support from traditionally friendly camps.

"Temporary incapacity is one thing, but if a person cannot work and permanently perform his functions, he should muster the will and courage to say that," Moscow Mayor Luzhkov said Friday. "Everything now depends on the president himself."

Luzhkov, a likely presidential contender in 2000, has never been an ally of Yeltsin and has never before openly questioned the president's health or his ability to govern.

Yeltsin normally relishes a good fight and is at his best at times of confrontation.

Yet he has responded to the economic crisis by keeping a profile so low it borders on

reclusive. He spends most days at a country residence to the west of Moscow, venturing into the Kremlin perhaps two or three times a week, and then only for a few hours.

Most public appearances are carefully controlled meetings in his Kremlin office, where he chitchats with government officials briefly for the benefit of the camera.

Last week's trip to Central Asia was his first foreign journey in five months, and it proved a public relations disaster. Yeltsin almost fell at a red carpet ceremony in Uzbekistan. He cancelled meetings, cut short a news conference and headed home a day early with a respiratory infection.

He has called off a trip to a

summit in Malaysia next month, and government sources said one reason was concern about the effects of the long flight on his health.

If Yeltsin were to resign - an unlikely scenario at this point - then Primakov would take over as president temporarily and presidential election would be held within three months.

The leading contenders would be Luzhkov, former security chief Alexander Lebed and Communist Party leader Genady Zyuganov. To some, the signs of a campaign are already visible.

"It seems to me we are already in the middle of a new presidential race," said Piontkovsky, the analyst.