

ASEAN eyes bold measures to accelerate investment

HANOI, Dec 13: Southeast Asian economic ministers were thrashing out a package of bold measures to accelerate investment and trade flows into the region to kickstart a recovery from recession, delegates said, reports AFP.

The steps will be put to a leaders' summit meeting here Tuesday and Wednesday of the nine-member Association of Southeast Asian Nations (ASEAN), five of whose economies are now mired in recession after a decade of robust growth.

A delegate who spoke on condition of anonymity said the ministers were considering opening a 'two-year window' to foreign investors from outside the region as part of their economic measures.

He said investors would be offered special incentives to in-

vest in ASEAN countries from 1999 to 2000, starting with the manufacturing sector, he said, adding there was 'general agreement' on such a step.

The incentives are reported to include tax credits and duty-free imports.

"As far as economic ministers are concerned, we have made quite good progress and are quite confident we will be able to submit a set of proposals to the leaders," said Indonesian Economics Minister Ginanjar Kartasasmita.

He said the measures being discussed were bold, considering there are "so many strong national interests."

"So to overcome national interests we have to convince them (individual countries)," he said.

Vietnamese Foreign Minis-

ter Nguyen Manh Cam said that 'bold measures' would depend on the state of development of each country.

The bold measures will be realised on the consideration of the conditions in each country, on the development in each country," he said.

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

Senior officials who met here this week approved the accelerated removal of trade and investment barriers to speed up the region's return to the growth track.

Delegates said there were reservations among some members, citing the least-developed economies of Laos, Myanmar and Vietnam, on the proposals to speed up the pace of liberalisation.

They said some wanted to "go faster and some hold back," but most were on the middle ground.

All ASEAN economies have suffered as a result of the regional crisis sparked by the Thai baht's devaluation in July 1997.

Indonesia, Malaysia, the Philippines, Thailand and Singapore are in recession while Brunei, Laos, Myanmar and Vietnam have not been spared the fallout.

Under the ASEAN Free Trade Area (AFTA) plan, the more developed members of ASEAN are to lower tariffs on most goods traded in the region to no more than five per cent by 2003, although officials say most of the reductions would take place by 2000.

Tobacco faces overseas suits

NEW YORK, Dec 13: Less than a month after U.S. tobacco companies agreed to settle a series of state lawsuits for \$206 billion, other countries are smelling blood.

The Nicaraguan government on Thursday filed suit against 11 tobacco manufacturers, distributors and related organisations in a U.S. court in Puerto Rico, seeking to recoup the costs of treating smoking-related illnesses.

The suit did not specify how much the country hopes to recover, according to press releases distributed before a news conference in Miami. It accuses the defendants of violating U.S. racketeering laws by conspiring to hide the dangers of smoking.

Nicaragua was the second country in the region to sue the cigarette makers.

Last May, the Guatemalan government filed a similar lawsuit in Washington seeking about \$300 million.

The Nicaraguan suit was filed against the Liggett Group, the Brooke Group, British

American Tobacco/BAT Industries, British American Tobacco (Investments) Ltd./British American Tobacco Co., Brown & Williamson Corp., the Philip Morris Cos., Philip Morris Inc., Philip Morris Sales, Philip Morris International, the Tobacco Institute and the Council for Tobacco Research-USA.

Both lawsuits were filed by the Houston law firm Fleming, Hovenkamp & Grayson, which is soliciting other countries as clients in potential lawsuits against tobacco companies in U.S. courts.

Not to be left out, the Brazilian government also is gearing up to take on big tobacco. The country said it plans to sue U.S. tobacco companies to recover the multibillion cost of treating sick smokers; a spokesman for the Health Ministry said Thursday.

Two local newspapers are reporting the Brazilian government has been in contact with U.S. legal firms about bringing cases against cigarette

makers. The ministry spokesman confirmed the report.

Daily Folha de Sao Paulo said the ministry wanted roughly \$33 billion in compensation to cover spending on patients suffering from smoking-related diseases.

The cases would be brought in the United States as that is where most of the leading cigarette producers are located, Folha said.

Sometimes you lose, sometimes you win

Winning a small, if temporary, victory in Britain, however, the industry managed to escape a sweeping ban on smoking in public places.

Instead, Britain said Thursday it will introduce legislation to hasten a ban on tobacco advertising on billboards and in newspapers, Health Secretary Frank Dobson told parliament.

The move was far less crippling to the industry than it could have been.

Dobson disappointed health

campaigners by announcing the government did not intend to ban smoking in public places, but would rely instead on a voluntary code in areas such as pubs and restaurants.

He said the British legislation to hasten a ban on advertising would enable tighter restrictions on cigarette advertising ahead of a European Union ban due to take effect between 2001 and 2006.

"People of all ages, including children, have been exposed to clever and eye-catching advertising material," Dobson said. "All that will now change. Tobacco advertising is going to end, and it's going to end soon."

He noted the government will spend 100 million pounds (\$165 million) during the next three years trying to tackle the effects of smoking.

Most of the money will fund a new National Health Service smoking-cessation program, with the poorest people given a week's supply of nicotine-replacement therapy.

— CNN Internet

'US must expand int'l free trade'

OMAHA Nebraska, Dec 13: With recessions brewing in Asia, Latin America and one-third of the world's economies, the United States must aggressively expand international free trade, but not ignore Americans who may lose their jobs in the process, legendary investor Warren Buffett said yesterday, reports AFP.

"Frankly, the job of government, to me, is to promote trade to raise the standard of living and at the same time provide a safety net," Buffett told a group of about 250 business people, economists and students at the Omaha International Trade Conference. "We should take very good care of the people who lose their jobs."

Buffett, CEO of Berkshire Hathaway Inc, headlined a panel discussion on how today's global economy and trade affects average Americans.

The conference, organised by Democrat Senator Bob Kerrey, who said on Saturday he had made up his mind about a presidential run in 2000, but plans to discuss the decision with friends before disclosing it.

In preparing for a possible race, the 55-year-old Senator has raised nearly 1.5 million dollars, which he said puts him in a far better position than during his failed bid in 1992.

International trade has a direct impact on all Americans, Kerrey said, but is increasingly tied to agricultural states like Iowa and Nebraska where falling commodity prices are almost sure to trigger another farm crisis.

Reich, who served as Secretary of Labour under President Bill Clinton, said recent polls have indicated that more than half of Americans believed importing foreign goods is bad for the United States. Some of those people are unskilled

workers, whose jobs could be eliminated because they demand higher wages than foreign workers.

"The long-term question is: how do we put more people in the winner's circle?" Reich asked.

Indeed, there were more questions than answers during the conference.

But experts said that people in the United States must recognise the overall benefit of expanding international free trade.

Jeffrey Sachs, Director of Harvard University's Institute for International Development, discouraged his colleagues from fearing a sense of economic despair.

In addition to debating global trade, Sachs said the United States must consider a host of other problems around the world, including the rising population in third-world countries, the environment and health care.

Riyadh denies seeking \$5b loan from UAE

RIYADH, Dec 13: Saudi Finance Minister Ibrahim al-Assaf has denied that his country is trying to borrow \$5 billion from the United Arab Emirates, the Asharq Alawsat newspaper reported Saturday, reports AP.

Al-Assaf said that although the budget had swelled beyond the government's expectations, authorities will continue to cover the budget gap by borrowing from local banks.

The London-based Financial Times reported Friday that Saudi Arabia is looking for a \$5 billion loan from the Emirates to help cover its budget deficit.

Exchange Rates

StanChart Foreign Exchange rates		against	
Taka to clients.			
Central Bank USD/BDT Rate: Buying-BDT 48.35/ Selling-BDT 48.65			
TT/OD	IC	Currency	TT Clean
48.7100	48.7500	USD	48.3150
82.4806	81.5484	GBP	80.8213
29.7284	29.7528	DEM	29.2022
0.4224	0.4227	JPY	0.4116
36.8875	36.9178	CHF	36.1504
26.3539	26.3756	MLG	25.9228
29.7103	29.7347	SGD	29.1669
8.8507	8.8580	FRF	8.7188
31.8117	31.8378	CAD	31.1268
6.0857	6.0907	SEK	5.9840
30.7117	30.7369	AUD	29.5205
59.0365	59.0850	ECU	56.6735
6.2965	6.3017	HKD	6.2286
13.0171	13.0278	SAR	12.8361

Usance Export Bills		120 days		100 days	
TT/DOC	30 days	60 days	90 days	120 days	100 days
48.2154	47.9179	47.5208	47.0641	46.5677	45.4558

Exchange rates of some Asian currencies against US dollar					
Indian Rupee	Pak Rupee	THAI BAHT	Maq. Rngit	Indo. Rupiah	Sing. Dollar
42.51/61	54.00/10	35.71/78	3.7995/8005	7400/7500	1.6475/6525

US dollar					
Buying		Selling		Libor	
Cash notes	48.15	48.75	USD	6.5347	5.0263
T/C	48.1	48.7	GBP	6.4925	6.41328

Market commentary					
On Sunday in the local interbank forex market, demand for US dollar was low due to general strike.					
In the interbank market US dollar was traded between BDT 48.6500 and BDT 48.6510.					
The call money are remained steady and ranged between 7.50 and 8.00 per cent. The banks offered one unit of US dollar to the importers at BDT 48.7500 and purchase a unit of US dollar from the exporters at BDT 48.1550.					
Strike also halted transaction in the kerb market and cash dollar notes transacted between 48.75 and 48.90.					
Bangladesh bank accepted Treasury Bills worth of BDT 562.60 crore of which BDT 538.50 crore for 28 days @ 8.16 per cent and BDT 24.10 crore for 91 days @ 8.95 per cent.					
International markets were closed for the weekend.					
At New York closing on Friday US dollar traded at 1.6460/70 against DEM, 116.33/38 against yen and GBP at 1.6888/98 against US dollar.					

ATR offers loan to Indian Airlines for buying planes

BANGALORE, India, Dec 13: Franco-Italian conglomerate ATR and its Indian partner have offered to fund cash-strapped carrier Indian Airlines' purchase of six regional planes co-produced by them and valued at 100 million dollars, says AFP.

ATR Sales Vice-President Luciano Fava said ATR and its state-run partner Hindustan Aeronautics Ltd (HAL) had offered a loan at a very 'attractive' interest rate.

"A comprehensive financial package has been offered to Indian Airlines which is very attractive and the interest rate is the best in the world," Fava said without elaborating.

Indian Airlines has not conveyed its decision to us, but its board has approved the production contract, which means our financial offer has been approved," he said.

The HAL-ATR project to build six 50-seaters for Indian Airlines has spurred the state agency to explore more civil aviation markets to sell the planes, HAL Chief C V Nair said.

Indian Airlines has been in the red for years, but for the first time earned net profits of 472 million rupees (11.8 million dollars) in the fiscal year to March 1998.

An official of the Indian Airlines said that its directors board, after approving the financial package, had sent it to the government for clearance.

"We sent it to the government for its approval," said S Nazir, Director Finance of Indian Airlines.

"It is well known fact that we are suffering losses as we are flying our large planes on non-profitable routes," Nazir told AFP.



Nippon Credit Bank President Shigeoki Togo (R) talks to the press during a press conference held at the Tokyo Stock Exchange yesterday. Togo said the debt-ridden credit bank accepted the government decision to take over the operations of the bank for nationalisation. — AP/UNB photo

Foreign firms explore Afghan investment potential

KABUL, Dec 13: Several foreign companies are looking at investment in this war-ravaged country, particularly in the petroleum and gas sector, says a Taliban official, reports AP.

Already these companies have sent their representatives to see what investment is possible. The Taliban, who rule roughly 90 per cent of the country, also say they can guarantee their safety.

A nine-member delegation of foreign investors from the United States, Britain and Kenya visited Afghanistan in November and travelled extensively to explore investment opportunities, Abdul Salam Zaeef, deputy minister of mines and natural resources ministry told The Associated Press in an

interview on Saturday.

The potential investors included American Blue Growth and Berday Srivata, as well as British Off-Shore Power Corporation and a Kenyan company Wilken, he said.

Afghanistan is a mineral-rich country and there is tremendous investment opportunities in the exploration of petroleum and gas, gold and copper," he said.

He didn't say how much the companies were prepared to invest but the Taliban rulers have given them six months to explore for riches and then they will be required to sign a formal development agreement.

Two mineral experts are currently in Afghanistan, he said surveying areas in the western

part of the country, Zaeef said.

"It is too early to pin-point the exact areas where the exploration work will be done and give any more details about the projects," he said.

He said a number of other foreign companies have also contacted the Taliban to negotiate deals, including possible mineral exploration.

The cash-starved Taliban administration is trying to attract foreign investment to its battered country where trade, business and industry have been destroyed by two decades of war.

The Taliban say they have restored peace to most parts of the country and can provide security to foreign businessmen investing in their century.

National coal strike in Australia

SYDNEY, Dec 13: Up to 20,000 coal miners across Australia will strike for 48 hours on Monday and Tuesday to protest a cut in the price of coking coal, reports AP.

Construction, Mining, Forestry, and Energy Union national president Tony Maher said three leading coal exporters had agreed a US \$ 9 a metric ton price, an 18 per cent reduction.

He said the new coking coal price agreement by North Goonyella Mine, Mount Isa Mines (MIM) and Shell was made in Britain to 'avoid scrutiny.'

"Coal is Australia's biggest export earner -- it earns 10 billion (Australian dollars) a year for the country so a 20 per cent drop means 2 billion lost to Australia," Maher said.

He said the price cut would mean further job losses in an industry already reeling from the loss of 4,000 jobs in the past 12 months.

For every mine worker lost, another three jobs are lost from the flow on effect -- that means 12,000 jobs lost, he said.

"Now there'll be many more on the scrapheap."



A day-long executive education for excellence workshop on "Business Communication Skills for Success at Work" was organised by the Centre for Human Excellence (CENCE) at its Dhanmondi seminar room recently in collaboration with the Bhuiyan Cyber Club, says a press release. Some thirty professionals engaged in various fields who are also MBA students at the Asian University of Bangladesh participated in the workshop. Moderated by CENCE president Quazi Mahmud Ahmed, the workshop's morning sessions were devoted to making effective business presentations and successful job interview techniques, conducted by Sayemul Huq, Executive Director, Animal Health Divn, Novartis, and Mehboobur Rehman, Group Head, Human Resources, of Transcom. Neaz Ahmed, Associate Professor of IBA, was the resource person in the afternoon session on conducting successful meetings. —CENCE photo

GM prepares for belated debut in tough China market

SHANGHAI, Dec 13: General Motors Corp is preparing for its belated debut in the intensely competitive Chinese car market with a special, high-tech product: a Buick sedan, reports AP.

A ceremonial "first Buick" is set to roll off the assembly line on Thursday, with top GM executives on hand to launch a joint venture that is the biggest foreign investment yet in China.

But after the fanfare dies away, the world's biggest automaker will face an uphill battle to make its \$750 million investment pay off.

GM is entering a market glutted by entrenched Japanese and European rivals. Competition in some areas is so fierce that Beijing has imposed minimum prices on its own small automakers to keep them from bankrupting each other with price wars. A slowing economy and strict government policies have cut into the luxury-car market targeted by GM.

Nevertheless, the company says it can thrive because of its unusual strategy -- offering the newest model in a market often used by others to recycle older technology.

"There are no comparable Chinese vehicle to what we are going to provide," said Philip Murthaugh, the American general manager of the joint venture, Shanghai General Motors Co.

Chinese buy about 1.5 million cars a year, or one-tenth as many as the United States, but foreign companies with visions of vast growth have piled into the market. GM was the last in before Beijing suspended new joint ventures while it tries to galvanize its domestic industry by merging more than 100 companies into a handful of conglomerates.

Most prominent is Volkswagen, whose Santana sedan is popular as a taxi, police cruiser or office car. VW's 13-year-old joint venture in Shanghai commands half the market for mid-size sedans with sales of more than 200,000 Santanas a year.

Volkswagen also sells up market Passat and Jetta sedans. Honda sells the Accord sedan. Mercedes-Benz is developing a minivan venture. Toyota, Nissan, Daihatsu and others have production or assembly deals with Chinese partners.

Working in its favour, GM has support from the Shanghai city government, which has ordered 2,200 cars. Its local partner is Shanghai Automotive Industries Co, the leading Chinese assembler for foreign car makers.

"They have the best partner in China," said Len Shapiro, head of the Beijing office of Automotive Resources Asia, an industry consultant.

With 3,000 employees, the GM factory set among electronics factories in a quiet section of Shanghai's Pudong industrial district is to start out making 30,000 cars a year, eventually rising to 100,000.

The first car a snappy-looking luxury sedan priced at 30,000 to 40,000 yuan (\$36,000 to \$48,000) is based on the Buick Regal sold in the United States but called simply the Buick.

The sedan has been restyled for China, with radio and air-conditioning controls in a more spacious back seat where the most important passenger often rides. Features include what GM

advertises as the first Chinese-made automatic transmission.

Such details can make a big difference.

Peugeot pulled out of China last year after selling a few thousand copies of its 504 sedan. Industry analysts said the French company underestimated Chinese buyers and should have sold a bigger, newer model.

"These customers are educated, and they will have high expectations, so we decided to bring in our latest vehicle," said Murthaugh, a 43-year-old veteran of GM factories in England and Japan.

Whether that will be enough to lure buyers remains to be seen.

Economic growth has slowed dramatically since GM began planning its factory in the early 1990s, although at seven per cent it still is healthy by Asian standards. Government officials who could have been GM's best customers have been ordered to sell off cars in a clamp-down on corruption. The private market is dominated by bargain-hunters.

AOL developing ways of accessing hybrid Internet TV

America Online Inc., as part of its AOL Anywhere strategy, is developing new ways of accessing the popular online service including hybrid Internet-television content and high-speed access.

Without announcing a timetable, AOL is in the "development and testing stage" of a service called AOL TV and discussing high-speed access options with cable and telecommunications companies, said AOL spokeswoman Tricia Primrose.

Internet freed from PC

"Our vision of all of this is not putting AOL or putting web pages on television. The television has a very sacred place. People are not going to toss out their TVs," Primrose said. "What we do believe is that elements of the interactive world can be used to greatly enhance the television experience."

She said the companies envision users watching a sports match and being able to pull up

a list of friends to chat with online while watching the game. The company is working to develop such a device to reach the estimated 75 per cent of Americans that are not online, she said. "It's a logical market for us to bring an AOL TV-type product."

Presently, most Internet users connect using a PC and an analogue modem, but that is changing. As part of its AOL Anywhere initiative, the company has plans to bring the online service to a myriad of devices.

"We envision a connected home," she said. The company is exploring not only set-top box technology providing integrated online and television content but Net-enabled telephones, wireless devices and electronic message boards on people's refrigerators.

The company is vague about when these new services and products will be available both in the United States and inter-

nationally. "We're at the early stages of this in the market place, and the adoption of new electronic devices generally takes several years," Primrose said.

AOL flexes its muscles

AOL has reached the point where it is "flexing muscles planning and driving content to next layer," said Harry Fenik, vice president of analysis for Internet consultants Zona Research.

"Net access will not only be freed from PC but freed from anything we currently understand as devices," Fenik said. "Every company on the hardware side is rushing madly trying to figure out what the next big appliance is going to be."

"We expect tons of these things to come out," he said, from general-use handheld computers to devices with specific applications such as inventory and remote data collection.

Companies such as AOL will

determine the winners. "The areas of explosion will be driven by the AOL of the world," Fenik said.

Ending the world-wide wait

But as Internet content becomes richer, it requires more bandwidth.

AOL's 14 million subscribers now access the service using relatively slow analogue modems, but cable companies and telecommunications providers are starting to deploy high-speed access options in volume.

The Washington Post reported that AOL is discussing high-speed access options with several regional telephone companies that provide local service in the US. "We're talking to everyone, cable companies and telecom providers," Primrose said.

The article said Bell Atlantic was among companies in discussion with AOL, but Bell Atlantic spokesman for Internet

services Larry Plumb would not comment on "speculation."

Several regional phone companies, including Bell Atlantic, Ameritech and US West have begun providing high-speed digital-subscriber line (DSL) access. Several phone companies are exploring DSL because it allows them to provide high-speed access over their existing copper lines instead of having to upgrade to fibre optic lines.

In select areas, including parts of Washington, DC, Pittsburgh, Philadelphia and New Jersey, Bell Atlantic is providing DSL service with speeds up to 7.1 MBPS, said Bell Atlantic spokesman Larry Plumb.

Bell Atlantic's ADSL service begins at \$40 a month for a line with a 640 KBPS download speed and a 90 KBPS upload speed with one-time modem and installation fees as low as \$149, Mr Plumb said.

DSL connections allow for computer users to have a con-

stant, also known as a persistent connection to the Internet. With inexpensive, high-speed connections to the Internet, Fenik predicts all kinds of Internet-enabled devices will enter the home.

Σ An oven could be used to search the Web for recipes and order the groceries online.

Rich content needs fast connections

Fenik predicts that DSL services will "kick in hard this coming year," and "if you think about what AOL is trying to do, it's rushing to more extended media," including premium pay-per-use audio, video and more "typically TV-style entertainment."

As AOL's content continues to become richer with more multimedia, he adds, higher speed access options are "not only logical but a business requirement."

—BBC Internet

Delhi seeks consensus to cut fiscal deficit

NEW DELHI, Dec 13: Finance Minister Yashwant Sinha yesterday called for political consensus to cut India's massive fiscal deficit, reports AFP.

"We cannot support unviable public sector units as well as reduce the fiscal deficit," Sinha was quoted as saying by the Press Trust of India.

"For a handful of people we would be penalising the entire economy. There is a need for a political consensus on the issue," he told a conference on capital markets in Bombay.

The government had targeted to contain the fiscal deficit at 5.6 per cent of gross domestic product in the year to March 1999.

Analysts say the deficit is over six per cent of GDP due to the huge losses suffered by state-run companies.

The communists and the main opposition Congress

Party have opposed moves to close down eight loss-making state-run firms. They said it would result in large scale unemployment.

"For improved economic development, the fiscal deficit has to be reduced and I am determined to do my best and set targets to eliminate it," Sinha said.

The government would begin the second phase of privatising state-owned companies in January, he said.

The second disinvestment process will be in January 1999, and the government will sell shares of gas authority of India Ltd in the domestic market, he said.

New Delhi might decide to disinvest shares of Indian Oil Corporation and the international telecommunications carrier, Vidhesan Nigam Ltd, international markets, Sinha said.