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## Avoid political violence to woo FDI, say Germans

Star Business Report

The government and the opposition political parties should avoid strikes and political violence by narrowing their differences on main national issues to attract foreign investment, said a key German business leader.

Peter Clasen, President of Bangladesh Committee of Asia-Pacific Business Association (OAV) made this comment in a meeting with a delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) now on a visit to Germany.

The meeting was organised jointly by Hamburg Chamber of Commerce (IHK) and OAV at the Hamburg Chamber Wednesday.

The FBCCI team is led by its President Abdul Awal Mintoo. Clasen mentioned that other Asian countries which have the benefit from heavily devalued currencies are competitors of Bangladesh for foreign direct investment (FDI).

He said Bangladesh must solve its power problems and foster an investment-friendly

atmosphere to attract FDI. Bangladesh Ambassador to Germany Kazi Anwarul Masud and a large number of Hamburg-based businessmen attended the meeting.

"Bangladesh and Germany need each other in the context of globalisation," Clasen said mentioning a number of successful German investment in Bangladesh.

In this regard, he cited that the Transcom Group was associated with the Nestle Group for a long time and a cement grinding plant, Cemcor Ltd, is also one of the leading German venture in Bangladesh.

Cemcor Ltd with an annual capacity of 600,000 metric tonnes was incorporated in Bangladesh in 1998 as a joint venture with Holder Bank of Switzerland.

Bangladesh delegation leader and FBCCI chief Abdul Awal Mintoo briefed the meeting about the liberal and attractive investment package offered by Bangladesh to for-

ign investors and urged the German investors take advantage of the opportunity.

After years of indifference towards regional development, the South Asian countries finally realised that in a globalised economy they must exploit the full potential of SAARC. Mintoo told the meeting.

He briefed about some of the recent developments in trade relations among the SAARC members and said that this bloc would be a large single market like EU after 2003 when there would be no tariff and non-tariff barriers.

"Bangladesh, being the gateway to South Asia and the ASEAN, offers tremendous opportunities in terms of strategic location," Mintoo said.

OAV President Clasen named different infrastructural facilities like roads, rails, ports and telecommunication, which had been neglected in Bangladesh in comparison with other Asian countries who were

keen on FDI.

He said that SAARC countries comprised more than 20 per cent of the world's population and Bangladesh offered immense opportunities for FDI. Bangladesh Ambassador Kazi Anwarul Masud said German investment in Bangladesh is expected to rise to 100 million DM which was 16 million DM in 1995.

Earlier, Hamburg Chamber Director Corrine Nierstedt said the visit of the delegation would enhance trade and investments between the two countries.

A German investor in Bangladesh, W Ahlers while narrating his own experience identified strikes and political violence as the number one problem for foreign investors.

The meeting was followed by a question-answer session. German businessmen and prospective investors raised many questions on energy, infrastructure, political unrest and smuggling. Mintoo responded to the questions.



View of the Busena Terrace Beach Resort Hotel, which will be the main venue for next year's Group Eight (G8) summit meeting in the central of Japan's southwestern island of Okinawa. Japanese Prime Minister Keizo Obuchi picked up Okinawa, home to a cluster of US bases, as the site of a G8 summit meeting in a highly political decision ahead of his trip to Washington. —AFP photo

## BRRRI discussion on rice output held

GAZIPUR, Apr 29: A day-long open discussion on the progress of the current boro season and more production in the coming Aman season was held at the Bangladesh Rice Research Institute (BRRRI) yesterday, says a press release.

Some 80 senior scientists, policy makers, extension officials from different organisations participated in the discussion.

Dr A M M Shawkat Ali, Secretary, Agriculture attended the discussion as chief guest. Dr M A Hamid Miah, Director General of BRRRI, presided over it.

Dr Zahurul Karim, Executive Chairman, Bangladesh Agricultural Research Council (BARC), Fazlur Rahman, Joint Secretary, Ministry of Agriculture, M Enamul Hoque, Director General, Department of Agricultural Extension (DAE), Dr Md Idris, Director General, Bangladesh Institute of Nuclear Agriculture (BINA), Dr Shahidul Islam, Member-Director (Soil) of BARC, Muminul Haque, Member-Director, Bangladesh Agricultural Development Corporation (BADC), Director, Soil Resources Development Institute (SRDI), Dr Nurul Haque Choudhury, Director (Admn) and Dr Farhad Jameel, Director (Research) of BRRRI and Dr Pillai and Dr Ram Swami, Representatives of Food and Agricultural Organisation (FAO) participated in the discussion.

The ECNEC meeting approved 10 projects involving Taka 1567 crore 28 lakh 40 thousand including project aid

## ECNEC approves projects worth over Tk 1500cr

Prime Minister Sheikh Hasina has emphasised the need for improved road communication for economic development of the country, reports BSS.

She was presiding over the 54th meeting of the executive committee of the National Economic Council (ECNEC) at NEC Bhaban at Sher-e-Bangla Nagar on Wednesday.

Sheikh Hasina directed the concerned officials to fix up the height of bridges and culverts keeping in mind the flood situation and high-tide levels of rivers while constructing in various parts of the country especially the southern region. She also directed to plant fruit bearing and other trees extensively on both sides of the roads and in open places to maintain the ecological balance.

The ECNEC meeting approved 10 projects involving Taka 1567 crore 28 lakh 40 thousand including project aid

of Taka 1043 crore 40 lakh 20 thousand.

The projects include: expansion of Chittagong silo jetty project, expansion of country-wide grass cultivation project (amended), expansion and intensification of 15 rural electrification societies (amended), production preservation and distribution of improved seeds at farmers level, development of union parishad connecting roads: under Patuakhali and Barguna districts and rural development project-16: infrastructure, Patuakhali and Barguna districts (second phase).

The ECNEC meeting was informed that 1060 projects out of a total of 1218 included in the 1998-99 annual development plan, were approved till the 53rd meeting held on April 21, 1999. This is 87.17 per cent of the total projects.

The meeting was further told that the percentage of projects approved during the corre-

sponding period of the last year stood at 82.73 marking an increase of 4.44 per cent.

It was further informed that 393 foreign aided projects out of a total of 414 were approved till April 21, 1999 under 1998-99 annual development plan (ADP). The percentage of the approved projects is 94.93.

The meeting was attended by LGRD and Cooperative Minister Zillur Rahman, Water Resources Minister Abdur Razzak, Commerce and Industries Minister Tojal Ahmed, Food and Agriculture Minister Begum Matia Chowdhury, State Minister for Planning Dr Mahluddin Khan Alamgir and State Minister for Energy Prof. Rafiqul Islam.

Cabinet secretary, secretary to the Prime Minister, members of the Planning Commission, finance secretary, secretary of the planning division, and senior officials were present.

## New York Times bans tobacco ads

NEW YORK, Apr 29: The New York Times has decided to ban cigarette advertising in its pages effective Saturday because of the harmful effects of smoking, the paper said Wednesday.

"We don't want to expose our readers to advertising that may be dangerous to their health," said Nancy Nielsen, a spokeswoman for the paper, which becomes the first national paper to join more than a dozen other newspapers that have already imposed a ban, reports AFP.

Last year, the paper's revenues from tobacco advertising totalled less than one per cent of the total advertising income of one billion dollars, according to the paper. The right to print cigarette ads is not a "free speech issue" because the First Amendment "gives the press the right to publish what it chooses to," Arthur Sulzberger Jr., publisher of the Times, said.

While the ban does not start until Saturday, The New York Times already printed its last cigarette ad — a full-page colour ad for Carlton cigarettes — on Monday. The ban only applies to The New York Times, not any of its other properties, which include The Boston Globe. The newspaper's ban comes on the heels of a nationwide ban on roadside billboard cigarette advertising which took effect last Friday. That ban was imposed by a 206-billion agreement reached between cigarette companies and 46 states last November.

## HSBC Americas posts \$203.8m pre-tax income

Star Business Report  
HSBC Americas Inc has recorded a pre-tax income of 203.8 million US dollars for the quarter ending March 31 this year.

This income is eight per cent up from 189.4 million US dollars in 1998.

Net income for the quarter has declined by one per cent to 121.4 million US dollars from 123.1 million US dollars in 1998, says a press release.

The growth in pre-tax income reflected particular strength in commercial lending and the fourth quarter 1998 acquisition of approximately 1.7 billion US dollars in commercial loans from the US branches of the Hongkong and Shanghai Banking Corporation Limited.

In addition, the first quarter 1999 pre-tax income benefited from a gain of 15 million US dollars from the sale of a student loan business in California.

The effective tax rate for the quarter rose to 40 per cent, compared to 35 per cent in the first quarter of last year.

Tax losses, which had led to reduced tax charges in the past, have been fully utilised, causing the effective tax rate to rise toward the statutory rate.

## Assurance of no growth hormones sought

# EU threatens ban on US beef imports

BRUSSELS, Apr 29: The European Union said yesterday it would ban imports of US beef from June 15 unless the United States made sure the meat contained no artificial growth hormones, reports Reuters.

The EU's executive commission decided to press ahead with the ban after a majority of veterinary officials from EU member states backed the proposal at a meeting in Brussels.

The row threatens to further inflame transatlantic trade relations, already tense because of a dispute over banana trade.

The European Commission said in a statement it had decided to suspend imports of beef and bovine liver from the United States "to protect consumer health in the EU follow-

ing the discovery...of residues of certain synthetic growth-promoting hormones in beef and bovine livers imported from the US."

EU Farm Commissioner Franz Fischler said in the statement that the commission was ready to work closely with US authorities to resolve the problem. But he said the EU would only reverse the ban if it was satisfied that imports of US beef were hormone-free.

In the meantime, the commission ordered EU member states to check 100 per cent of US beef and bovine liver imports.

A commission official said the 20-strong EU executive supported the proposed ban at its meeting on Wednesday. al-

though the decision would not be formalised until later on Wednesday or on Thursday.

The official was optimistic the problem over hormones could be resolved, avoiding the need for the ban.

The EU already bans hormone-treated beef imports on health grounds, provoking a long-running dispute in the World Trade Organisation (WTO) with the United States and Canada.

The United States has threatened to impose punitive duties on hundreds of million of dollars of EU exports unless the EU lifts its ban on hormone-treated beef by May 13 as Washington says it must do to comply with a WTO ruling.

## Russia, South Africa to boost economic ties

MOSCOW, Apr 29: Boris Yeltsin and Nelson Mandela signed a declaration Thursday pledging to boost economic ties in areas such as gold and diamond production and to improve political contacts between Russia and South Africa, reports AP.

The declaration was signed opens a new stage in cooperation between Russia and South Africa," Yeltsin said after the

talks. "Russia and South Africa have huge potential for that."

Mandela said it was especially important to develop closer economic links because the two nations control a huge share of the world's gold and diamond production.

"Our nations have the greatest quantities of gold, diamonds and other precious minerals, and therefore it's very important for us to cooperate econom-

ically and politically," he said during the Kremlin ceremony. Mandela agreed, saying, "It's in the interests of both countries to cooperate to strengthen the links between us."

Mandela, in Moscow until Friday, was accompanied by Foreign Minister Alfred Nzo and South African business leaders — among them representatives of the De Beers diamond cartel.

De Beers has been in talks with its Russian partners for several months to develop new diamond deposits near the Arctic Ocean port of Arkhangelsk.

In a statement after the talks, Mandela thanked Russia for supporting the struggle against apartheid. "We've come here to thank you for supporting us," he told the smiling Yeltsin.

Relations between Russia and South Africa have improved considerably since the Soviet Union collapsed in 1991 and Mandela was elected president in the nation's first multi-race elections in 1994.

Yeltsin also noted that the current warm relations have deep historic roots that go back to the times of struggle against apartheid. The Russian president said that both nations have a common vision of global affairs, and, in particular, resent the "unipolar world" — the staple Kremlin reference to the United States' perceived global domination.

## Russia, Iraq hold oil talks

BAGHDAD, April 29: Iraqi Oil Minister Amer Rashid has held talks in Moscow in a bid to set out Russia's potential role in the development of Iraq's beleaguered oil sector, the official INA news agency said Thursday, says AFP.

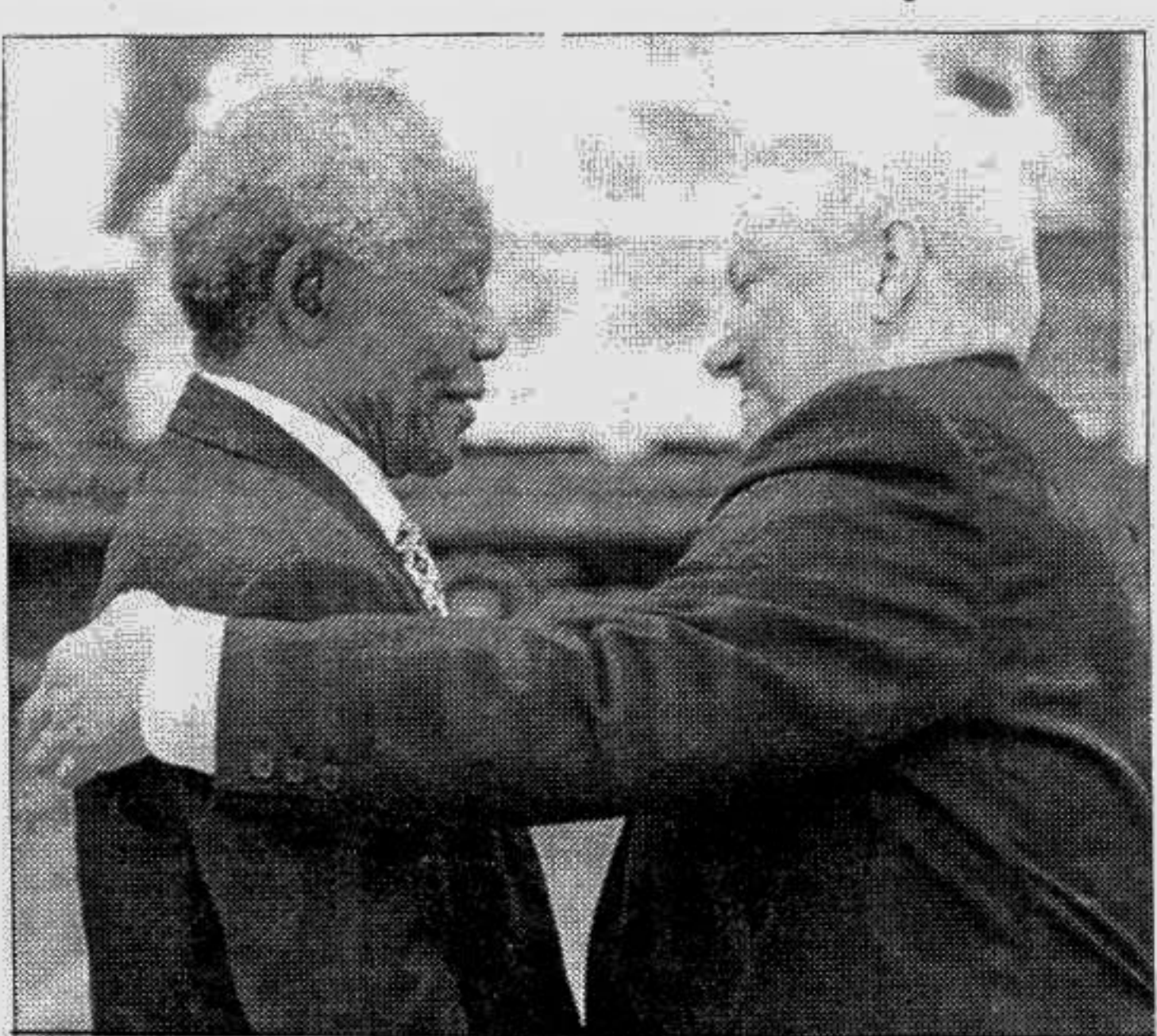
The meetings included Russian Energy Minister Sergei Generalov, with whom he also discussed the Kosovo crisis and the progress of UN discussions on future ties with Iraq, INA said.

The minister met a series of Russian oil company representatives for discussions on a string of oil projects and when they might be implemented.

In a statement to INA, Rashid said his visit was aimed at "developing ties in the oil sector and speeding up the role of Russian oil companies in the development" of the sanction-hit state's oil and gas sectors.

Iraq has stepped up its contact with foreign oil firms, seeking foreign investment in its oil sector which has been badly hit by two decades of war and nearly nine years of crippling UN sanctions.

Letters of intent have been signed with France's Elf and Total, a Russian consortium led by Lukoil and China National Oil Co. But none of the work can begin until UN sanctions, imposed after the 1990 Kuwait invasion, are lifted.



President Boris Yeltsin (R) hugs his South African counterpart Nelson Mandela during their meeting at the Kremlin in Moscow yesterday. Mandela arrived Thursday for a visit aimed at boosting economic ties. —AFP photo

## Japan ready to forgive more debts for poorest nations

WASHINGTON, Apr 29: Japan said yesterday it was ready to abandon more loans to the world's poorest nations, offering to boost its debt relief ceiling from 67 per cent to 100 per cent, says AFP.

The current debt relief ceiling of bilateral ODA (official development assistance) claims of 67 per cent will be increased to 100 per cent," Haruhiko Kuroda, chief of the Japanese fi-

nance ministry's international bureau, told the development committee of the World Bank and International Monetary Fund.

Japan has 1,032 billion yen (8.7 billion dollars) of claims to the Highly Indebted Poor Countries (HIPC) via bilateral ODA, including low-interest carrying loans of 973 billion yen and rice exports.

The Japanese ministry said

it was difficult to say how much of debts Tokyo would forgive under the proposal because it depends on the number of countries to be covered by an international debt reduction programme.

Donor nations agreed in 1996 on the HIPC initiative, aimed at substantially reducing the debt burden of around 20 of the world's poorest countries by 1998.

But they disagreed here Wednesday on whether more funds should be made available for wider and faster debt relief.

The programme has been criticised for providing too little, too late, since almost three years later only two countries have actually received any money.

Kuroda said in the speech that Japan's current debt relief of bilateral non-ODA claims of 80 per cent "will also be increased as necessary" without giving an exact ratio.

## ROK to deport 7000 Filipinos

MANILA, Apr 29: Nearly 7,000 undocumented Filipino workers face deportation from South Korea as Seoul prepares a massive crackdown on illegal workers, the government said today, reports AFP.

The Seoul justice ministry had informed Manila that a one-month amnesty for illegal workers would begin Friday, the foreign affairs department said.



Keiichi Inamine, Okinawa Governor, speaks to reporters yesterday at his office after Okinawa was picked for the venue of next year's Group Eight (G8) summit meeting in Japan's southwestern island of Okinawa. Japanese Prime Minister Keizo Obuchi picked Okinawa, home to a cluster of US bases, as the site of a G8 summit meeting in a highly political decision ahead of his trip to Washington. —AFP photo

# Oil firms under increasing pressure from HR activists

LOS ANGELES, Apr 29: Human rights activists in the United States and abroad increasingly are calling upon the world's major oil companies to leave oil-rich regions where tales of torture and disappearances flow as freely as crude itself, reports AP.

Recent activism includes a campaign by women's groups to stop the construction of a pipeline in Afghanistan, a lawsuit against a California oil company's practices in Myanmar, and protests over the deaths of three activists, including Terence Freitas of Los Angeles, in Colombia.

This week in Los Angeles, a Colombian Indian tribe and its supporters will ask Occidental

Petroleum Corp. shareholders to consider an ultimatum: drop drilling plans on their tribal land or they will commit mass suicide by walking off a 1,400-foot (420-meter) cliff.

At Friday's meeting in Santa Monica, shareholders will face the protesters' demands and vote on a resolution — written in part by Freitas before he was killed by Colombian guerrillas in February — that calls for a study on how opposition by the 5,000-member U'wa tribe could affect profits.

Los Angeles-based Occidental opposes the resolution, saying it has acted as "a model corporate citizen in Colombia for 30 years."

just one of a growing number of strategies used by activists to influence the behaviour of oil companies, said Arvind Ganesan, an analyst with Human Rights Watch in New York.

"It's an industry under pressure on human rights now," Ganesan said. "Shareholder meetings are a good forum to air these kinds of concerns."

Although most oil giants refuse to pull out of troubled regions, some are responding with new corporate human rights policies, he said.

"Companies are realising that, because of the reputation hit they can take in an environment of low oil prices, it's not in the company's best interest to have a human rights

problem", Ganesan said.

Freitas was a longtime U'wa supporter who worked to keep Occidental from drilling on tribal land. His organisation, the U'wa Defence Working Group, contends that oil brings violence: Guerrillas target pipelines and surrounding villages and governments respond by militarising the regions.

"Oil always brings an ugly transformation of the culture and almost always brings violence," said Robert Benson, a Loyola University law professor, who heads a group seeking to bring state pressure on companies.

In a petition filed last week with California Attorney General Bill Lockyer, Benson's

group asked the state to revoke the corporate charter of El Segundo-based Union Oil Company of California, or Unocal.

Benson claims that in Myanmar, Unocal has forced villagers to relocate and used forced labour to build the company's infrastructure.

Unocal denies the allegations. Mike Thacher, a Unocal spokesman, says the company is a solid corporate citizen. Just this year, it formalised a corporate position on human rights, he said.

"The bottom line is, we respect human rights in all of our projects," Thacher said. This includes our investment in Myanmar and it would have included any investment in

Afghanistan, had we had one."

In December, Unocal withdrew from a plan to build an \$8 billion pipeline through Afghanistan. Feminist groups had criticised the company over the project, which required working with the Taliban, an Islamic militia whose interpretation of religious law has forced women to wear an all-enveloping veil and banned women from work and girls from school.

Thacher said the company withdrew over concern that there "was not a stable government in place that was recognised by the US."

Unocal was the only major US company still in Myanmar after Atlantic Richfield Co

ended its natural gas exploration there last year.

Arco, based in Los Angeles, also contended its retreat from Myanmar, ruled by a military government accused of human rights abuses, was a business decision that had nothing to do with human rights.

But human rights may be playing a bigger role in company policies.

Chevron faced a shareholder proposal in 1997 asking the board to develop guidelines for working in countries with on-going human rights violations. Shareholders have, also without success, made similar demands of Royal Dutch-Shell over its drilling operations in Nigeria.

Although the proposals have failed, Shell has altered its approach to human rights issues, said spokeswoman Cerris Taviner, in a phone interview from the company's office in London.

In the past two years, Shell has consulted with human rights groups and adopted a human rights policy, Ms. Taviner said.

"We do withdraw if violence occurs and we have cancelled contracts if we're not happy with the other participating groups' behaviour," she said. However, Ms. Taviner acknowledged that the Nigerian government makes its own decisions about "protecting strategic installations."