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Advance income taxes on transport sector to be revised

The government has decided to revise the advance income taxes rates on the transport sector at a 'reasonable level' for the current fiscal, reports BSS.

The decision was taken at a high-level meeting at the Finance Ministry yesterday between the government and the leaders of Bangladesh Sarak Paribahan Samity (BSPS) with Finance Minister Shah AMS Kibria in the chair.

Commerce and Industries Minister Tofail Ahmed, Communications Minister Anwar Hossain, BSFS President Mubol Hossain, MP, Executive Chairman AK Joydul Abedin and Secretary General Mohammad Ashraf Khan were present at the meeting.

After detailed discussion on the advanced income taxes imposed in the new budget and supplementary taxes on import of spare parts and tyre-tubes, the government took decision to keep the advanced taxes on 10-year-old vehicles like in the past.

Besides, the meeting decided that if any problems or irregularities arose out of the imposition of VAT in this sector, would be solved through discussions with the National Board of Revenue (NBR).

SIA introduces Internet booking

Singapore Airlines (SIA) customers can now use the Internet to book their travel, 24 hours a day, seven days a week, with the launch of SQ-eTravel, says a press release.

SIA customers flying between Singapore and five other destinations — Hong Kong, Kuala Lumpur, London, Manchester and Penang — will be able to book seats and pay for SIA tickets via the Internet through SQ-eTravel at www.singaporeair.com.

The service will initially be available for economy class travel, but will be extended to all classes by September 1999 and more routes will be added by the end of the year.

SQ-eTravel will offer customers greater convenience, choice and control in planning their travel.

They can check flight availability, select the flight of their choice, order a special meal, pay on-line by entering their credit card details and print a receipt — all at a click of a mouse.

Upon arrival at the airport, customers can collect their boarding pass by producing the credit card used to make the booking as verification.

Iraq exports \$750m of oil in June

BAGHDAD, July 13: Iraq exported 54.8 million barrels of oil worth 750 million dollars in June, the State Oil Marketing Organisation (SOMO) announced yesterday, says AFP.

Daily exports by the sanctions-hit state were 1.84 million barrels over the month, said SOMO director Saddam Zaban, quoted by the official INA news agency.

Under the UN oil-for-food accord that aims to ease the effects of the nine-year-old sanctions, Iraq is allowed to export 5.2 billion dollars of oil every six months to pay for humanitarian supplies.

Zaban said Iraq had concluded 76 oil contracts under the sixth six-month phase of the programme that began at the end of May.

According to UN estimates, Iraq sold only 3.9 billion dollars of crude under the previous six-month period because of weak prices and the poor state of its oil infrastructure.

INA said last month that Iraq had exported more than 1.5 billion barrels since the oil-for-food programme was launched at the end of 1996.

Oil Minister Amer Rashid has said that Iraq will increase its production capacity to three million bpd by the end of the year and to 3.5 million bpd before the end of next year.

Roche announces 7pc rise in sales

ZURICH, July 13: Swiss pharmaceutical giant Roche announced Tuesday a 7 per cent increase in first-half sales and also forecast higher profits, excluding special charges for a biotech purchase and a price-fixing settlement, says AP.

The sales figure of 13.4 billion Swiss francs (\$8.5 billion) was up from 12.53 billion francs (\$7.9 billion) in the first half of 1998. Roche said it expects another good result for the full year.

First-half profit will be announced later, but should be up from a year ago, the company said. Those expectations exclude special charges related to its involvement in a vitamins price-fixing scheme, the company said.

May, the US Justice Department said Roche and BASF AG of Germany had agreed to plead guilty and pay a record \$725 million criminal fine for engaging in a worldwide conspiracy to raise and fix the prices of vitamins. Roche's share was \$500 million.

Floods hit production, supplies

Vegetable prices soar in city markets

Star Business Report

Vegetable prices rose sharply in the city markets as supplies were disrupted due to the floods that damaged seasonal vegetable fields in many parts of the country.

Retailers in the New Market kutchha bazaar said that the vegetable prices almost doubled from the last week.

Keper green (*Pui Shak*) was selling at Tk 10 a kg yesterday as against Tk five a week ago. Price of bitter melon popularly known as *korollah* shot up to Tk 24 a kg from Tk 18.

Besides, the prices of various kinds of pumpkins, lady's

finger, cucumber and egg-plant are rising steeply.

Merchants at Kawran Bazar and Sham Bazar — the two largest wholesale markets in the city — are facing supply shortage and expect that the prices are likely to rise further in the coming days.

They attributed the supply shortage to heavy rainfall and floods.

Rafiqul Islam, manager of 'Bhai Bhai Banijjaloy' at Shyambazar, said that they sold green chillies at Tk eight a kg only three days ago, but now it was above Tk 20. Egg-plants are now selling at Tk 22 a kg,

which was Tk 12 last week. The price of Lady's Fingers increased to Tk 12 per kg from Tk 8 in three days.

If rainfalls continue, the price will rise further, he added. Altaf Hossain, a green vegetable seller of Sham Bazaar, who collect vegetable from Narshingdi, said that the rainfall destroyed the gardens of vegetables and many of them in Kolar Chor were inundated.

Sazhan Miah, manager of Zilani Corporation, said that the prices of ginger, garlic and onion, mostly imported from India, Myanmar, Indonesia, were stable.

Tofail to open investment seminar in S'pore today

Commerce and Industries Minister Tofail Ahmed left for Singapore yesterday to attend a seminar on investment in Bangladesh, reports UNB.

He will inaugurate the day-long seminar to be held there today.

Metropolitan Chamber of Commerce and Industry, Singapore Trade Development Board, Singapore Confederation of Industries and Bangladesh High Commission in Singapore have jointly organised the seminar.

The seminar will focus on investment and business opportunities in Bangladesh.

A group of potential businessmen and investors from Bangladesh representing various prospective sectors and representatives from a good number of Singaporean business firms will attend the seminar.



Foreign Investors' Chamber of Commerce & Industry President A K M Shamsuddin hands over a prize to Md. Morshed Choudhury, a staff of Expeditors at 'Expeditors Achievement Night' held at a local hotel recently. Managing Director of Expeditors (Bangladesh) Limited Syed Ershad Ahmed is also seen.

Workers on strike Tea harvesting suspended in West Bengal

CALCUTTA, July 13: Harvesting and processing at more than 200 tea plantations in India's West Bengal state remained suspended for a second day Tuesday after negotiations between workers and owners on better working conditions stalled, an industry official said, reports AP.

At least 300,000 workers, demanding better medical facilities and shorter working hours, began an indefinite strike Monday after earlier negotiations with management failed.

Talks resumed Tuesday but the two sides could reach no common ground. A representative of the owners said discussions would continue.

The workers' demands include hiring of labour in proportion to a plantation's size, construction of hospitals and job security for part-time workers. West Bengal has 300 tea plantations.

"It is not possible to employ workers according to a plantation's size. A large plantation does not necessarily produce more," Ranjit Das, a spokesman for the Tea Association of India, told The Associated Press.

Das said the plantations already have medical facilities and the cost of building hospitals would be prohibitive.

"We cannot afford to build hospitals, which cost as much as 12 million rupees (\$2.8 million), and who will pay for the running costs?" Das said.

The strike was concentrated in West Bengal's northern Dooars and Terai regions. In Darjeeling, famous worldwide for its high quality tea, only eight of the district's 72 plantations were affected.

The ongoing strike has seriously hampered tea production in West Bengal. Already the region has seen a 14,000-kilogram (30,800-pound) shortfall in production following a drought, said B.N. Tiwari, the Tea Association's secretary.

IMF meet on new funding to Russia soon

WASHINGTON, July 13: Russia's next injection of International Monetary Fund cash should come on July 28, a year and a week after it won an international rescue package that rapidly turned into an embarrassing mistake, reports Reuters.

An IMF spokeswoman, confirming comments from Russian officials, said the IMF board was due to discuss new funding to Russia on July 28, although the date, like that for all board meetings, could be subject to change.

At stake is the first payment from a planned \$4.5 billion 18-month credit — providing some of the cash Russia needs to repay old loans from the fund. In an unusual development, the IMF cash will never even reach Russia, but will be used to repay old debt, including a \$4.8 billion payment approved on July 20 last year in an abortive IMF attempt to protect the Russian economy.

"The money coming out of this is not putting anything new into the Russian economy," said Clifford Gaddy, a Russia expert with the Brookings Institution in Washington.

"It's unavoidable that Russia has to get the money. We are talking here about just keeping things going, avoiding a really difficult situation that would not serve anybody's interests... They would have to default. They would not be able to resolve their problems with other creditors."

Russia's last \$4.8 billion payment was part of a planned \$20 billion international rescue package including money from bilateral and multilateral lenders and the IMF said at the time that Russia had promised keep its monetary and exchange rate policy steady.

Philippine budget deficit slightly higher than target

MANILA, July 13: The Philippines posted a budget deficit of 52.8 billion pesos (\$1.4 billion) in the first half of the year, slightly higher than the target of 50.9 billion pesos (\$1.3 billion) set in an agreement with the International Monetary Fund, the government said Tuesday, reports AP.

Details of the budget deficit in the first six months of the year were not immediately available.

The government is targeting a 1999 budget deficit of 68.4 billion pesos (\$1.8 billion), a sharp rise from last year, as it increases expenditures to help stimulate the economy.

The government's budget position is closely watched by the IMF under a two-year precautionary borrowing programme. The programme made it possible for the government to gain access to \$1.4 billion in standby credits to be used to protect the peso in the event of a massive speculative attack.

Japanese govt upgrades assessment of economy

TOKYO, July 13: The Japanese government today upgraded its assessment of the economy, but policymakers, still cautious on the outlook, said Japan must continue taking steps to nurture its nascent recovery, says Reuters.

"Although the economy remains in a severe state with recovery in private demand weak, it has recently been somewhat improving as the effects of various policies have permeated," the Economic Planning Agency (EPA) said in its monthly report for July.

The assessment was upgraded for the second consecutive month. In June, the agency slightly raised its view, stating that the economy had stopped its decline and movement was largely flat.

The announcement is the first government report to give an official assessment since news that gross domestic product in the January-March quarter jumped 1.9 per cent from the previous quarter.

But Economic Planning Agency chief Taiichi Sakaiya warned that, despite the more bullish economic assessment, it was very hard to say when the economy would begin to recover.

Sakaiya, who has recently called for a second supplementary budget for this 'business year' to next March 31 to prevent a dropoff in public works

spending, added that the government must continue with economic stimulus policies.

"The tide is turning for the Japanese economy, but in order to foster this change, we must be cautious in our economic management," he said.

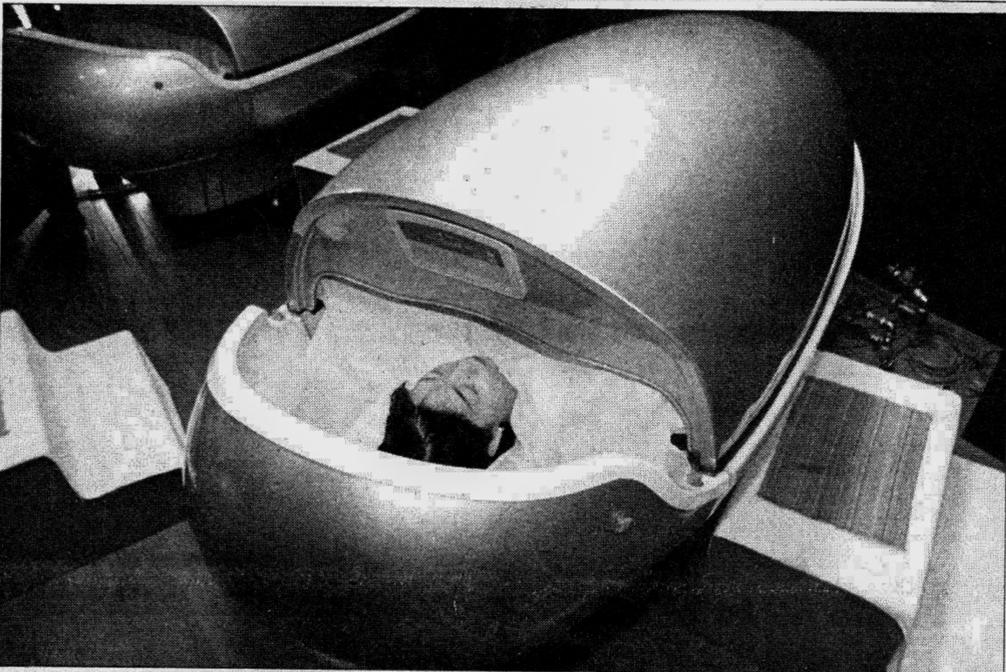
Prime Minister Keizo Obuchi told reporters he would "try to find and adopt new policies... while reviewing budgetary implementation and measures to bring the economy back on a firm recovery path," Kyodo news service said.

In Tuesday's report, the EPA upgraded its assessment of private consumption, corporate sentiment and profits, and domestic wholesale prices, while maintaining its prior assessment in other areas. None of the main categories was downgraded.

Financial markets showed little reaction to the brighter economic assessment as it was within expectations.

The EPA said there are signs that a fall in domestic wholesale prices has come to a halt, which is a supportive factor for the economy, while consumer prices are moving in a stable manner.

"We are past the worst, and fears of falling into a deflationary spiral have greatly receded," Sakaiya said. But the EPA said deflationary fears have not vanished.



An employee of the Japanese cosmetic firm Avant demonstrates the world's first automatic human washing machine "Sante Lubain 999" for the entire human body (except for the face and hair) Monday in Tokyo. The 2.2 meter (7.3 foot) long, 170 kilogram (374 pound) gleaming silver-coloured almond-shaped capsule is equipped with 13 interior shower nozzles and is capable of emitting infrared rays and warm winds. A basic 18-minute course is priced at 1,000 yen (8 USD).

US sues Toyota for alleged pollution control failure

WASHINGTON, July 13: The US government is suing Toyota's US subsidiary for allegedly failing pollution standards, seeking nearly 60 billion dollars in fines, prompting a strong reaction from the Japanese carmaker, says AFP.

In a civil lawsuit filed Monday in a federal court here, the US Justice Department said dashboard warning lights on some models sold in the United States did not illuminate when there were leaks in the emission systems.

Japan's Toyota Motor Corp defended its cars, describing the anti-pollution suit as "extremely regrettable."

"The onboard diagnostic systems on all Toyota vehicles meet the standards outlined by US regulations," Japan's biggest auto manufacturer said in a statement released today in Tokyo.

The United States is seeking as much as 58 billion dollars from Toyota.

The case involves 2.2 million

of Toyota's 1996-1998 model Camry, Avalon, Corolla, Tercel and Paseo models, Lexus cars, Sienna minivans, 4Runner and RAV4 sport utility vehicles, and Tacoma and T100 trucks.

The suit was filed after Toyota Motor Sales USA last week rejected an out of court settlement under which it would have paid 100 million dollars in civil penalties, the Justice Department said.

"The fact that the issue has taken such a turn, despite earnest negotiations since the summer of 1997, is extremely regrettable," Toyota said in its statement.

"As such, our primary alternative is to pursue all legal measures to prove that our products perform to the qualifications for which they have been certified," the statement said.

"Toyota continues to be disappointed that despite our vehicles having the best in-use emission performance in the

industry, this matter has not yet been resolved in a mutually agreeable manner," said Jim Olson, a senior vice-president for Toyota Motor Sales USA.

The suit seeks fines of between 25,000 and 27,500 dollars per car, depending on the model year. But a Justice Department official said privately that it was "very unlikely" the government would win the 58 billion dollars in fines.

The official, who asked not to be named, noted that a settlement could come at any time.

In Tokyo, a Toyota Motor Corp spokesman had nothing to say about the sum being demanded. "I would like to decline to comment because we have not lost," he told AFP.

Toyota Motor Sales USA is the first manufacturer that has so far refused to settle with the government, the department said.

In June 1998, American Honda Motor paid a record 267 million dollars for a similar problem in 1.6 million vehicles.

Thailand sees solution to WTO leadership row by July 20

BANGKOK, July 13: Thailand's foreign minister has predicted that the deadlock between Thai and New Zealand contenders to lead the World Trade Organisation will be resolved by July 20, reports AP.

The prediction follows acceptance in principle by both Supachai Panitchpakdi, Thailand's deputy prime minister and commerce minister, and Mike Moore, a former New Zealand premier, of a proposal to end their bitter contest and take turns in the job.

"We expect the WTO will be able to find a solution on terms-sharing by July 20," Foreign Minister Surin Pitsuwan was quoted Tuesday in Thai media as saying.

Surin said that WTO members were in the process of coming up with details of a terms-sharing plan that would be acceptable to supporters of both Moore, who is championed by the United States, and Supachai, whose biggest advocate is Japan.

The length of the terms has not been specified, nor the issue of who will go first. Renato Ruggero, the Italian whose retirement April 30 has left the Geneva-based WTO without a boss, served a traditional four-year term.

Supachai has said that splitting the job into two two-year terms would stop either man from accomplishing much and suggested two three-year terms would work better.

Who goes first will also be important. The 134-nation WTO is launching an international round of trade talks in November and the new leader is expected to play a major role in drafting the agenda.

However, the first director general will serve under the handicap that members know they may get different treatment from his successor.

The contest between Moore and Supachai has been bitterly fought and pointed up the weaknesses of the organisation's rule of choosing a new leader by consensus.

Supporters of neither man were ready to build a consensus around the other, claiming their candidate had more support. A deciding vote has never been held.

Nigerian supply disruption worries oil market

LONDON, July 13: Oil prices hit at a 19-month high yesterday as concern over Nigerian supplies kept upward pressure on a market feeling the bite of OPEC output curbs, reports Reuters.

London futures for benchmark Brent blend crude settled eight cents firmer at \$18.59, within sight of a 19-month peak of \$18.65 touched in early trade.

Shell on Friday declared force majeure, a legal clause relieving it of delivery obligations, on exports from its Nigeria operations.

But traders said on Monday that the order would mean only the delay, rather than cancellation, of July exports from Shell's Nigerian Bonny and Forcados systems.

Oil markets have become increasingly sensitive to news of supply disruptions as the impact of export curbs by OPEC and non-OPEC producers is felt.

Alvaro Silva said his country did not expect OPEC to ease back on supply limits before the end of an agreed one-year term at end-March 2000.

"Commitments will stay in place until March and then they can be discussed again," Silva said in an interview with Reuters in Tehran.

"The reduced quotas should remain at the present level so that prices do not fall. We also believe it is not appropriate to have prices too high," he added.

Silva was in Iran on the first leg of a tour of fellow OPEC member nations to seek consensus on an OPEC heads of state summit in Caracas.

OPEC has almost completely implemented the export restrictions, in place since April, promising to wipe out the excess petroleum stockpiles which last year pushed prices to 22-year lows.

Paris-based energy think-tank the International Energy Agency said on Friday that if OPEC maintained a tight lid on supplies it would trigger a winter decline in oil stocks of historic proportions.

It projected a 1.6 million barrel a day draw from global petroleum stockpiles in the third quarter followed by a 3.2 million bpd draw in the final three months of the year.

"The market is certainly tightening. The combination of high OPEC compliance, a slowly accelerating Asian recovery and a continued boom in the US economy are underpinning demand and restraining supply," said David Knapp, head of the agency's oil market division.

Some analysts say the group now is on course to wipe out surplus inventories of crude and products by the end of September, even before the start of peak northern hemisphere winter demand.

'Asian stocks poised for further rally'

SINGAPORE, July 13: Asia's stock markets are poised for a further rally with slight corrections along the way, a top fund manager said, but he warned against complacency in pursuing corporate restructuring efforts, says AFP.

Mark Mobius, president of Templeton Emerging Markets Fund said today most Asian markets, with the exception of Singapore, had some way to go before reaching their pre-crisis levels of trade.

"I think it's fairly premature for us to say that it's just a short-term rally or a bear rally. I don't think so," he was quoted as saying in the Business Times on Tuesday.

Mobius, in Singapore to mark the third anniversary of Templeton's Emerging Markets Fund, cited telecommunications, utilities and banks as the most attractive buys in the region.

"I think we're probably in a new bull market and we've just begun. That doesn't mean that

you're not going to have corrections along the way. You're going to have a downside of 10, maybe 15 per cent at a point in time but it will be temporary," he said.

"Unfortunately, with this fast recovery you're seeing in the markets, people are beginning to think, 'Maybe it's not necessary to change. We don't have to go through these reforms.' And that's the danger because of course, we set ourselves up for the next crisis," he said.

Mobius said the pace of restructuring among companies in the region was gradual and might not have been noticed by many but this was taking place, specially in Japan and South Korea.

"Japan is on the way to recovery and you will begin to see the market move. Underlying all this is gradual change. Many have not noticed the degree of restructuring going on, not only in Japanese companies, but also in the government," he said.