

# Row over Moscow's bombing of Chechen towns EU threatens to suspend trade ties with Russia

HELSINKI, Dec 11: The European Union threatened yesterday to revise trade and funding ties with Russia unless Moscow stopped bombing Chechen towns and revoked its ultimatum to civilians to leave Grozny or face annihilation, reports AFP.

In a statement issued on the eve of the expiry of the chilling Moscow deadline, EU leaders condemned Russia's offensive in Chechnya and threatened to suspend certain trade ties with Moscow if it persisted with its 10-week military campaign in Chechnya.

"We have bent over backwards to try and be understanding and reasonable," said EU External Affairs Commissioner

Chris Patten, after the 15 heads of EU governments agreed their response at a summit here.

Public opinion would not expect us to go on as if it was business as usual."

Italian Foreign Minister Lamberto Dini said the EU leaders were set to send a mission to Moscow in the coming days to press for an end to bombardments in Chechnya.

In their statement, the EU leaders demanded an end to what they called "the bombing and the disproportionate and indiscriminate use of force against the Chechen population."

EU leaders called on Russia "not to carry out the ultimatum

against the civilian populations of Grozny," after Moscow declared earlier this week that it would mount an offensive against the capital of the rebel republic after Saturday.

By way of sanctions, they threatened to suspend "some of the provisions" of the EU-Russia Partnership and Cooperation Agreement, with "trade provisions applied strictly."

The agreement, signed in July 1995, notably includes EU favourable trade concessions.

The leaders, who began a two-day summit here Friday, also ordered a review of the EU's common strategy on Russia, and said they would shift funds from the TACIS technical assis-

tance programme into humanitarian aid.

"This would amount to a work-to-rule principle where Russia would be held to every letter of the agreement," an EU official said.

"We would not be withdrawing money from Russia but the end result would be that it would be channelled more to humanitarian aid than to technical aid," the spokesman added.

Western powers have mounted an escalating chorus of outrage at Russia's brutal offensive in Chechnya, but Moscow has insisted that its actions in the rebel republic are an internal affair.

## Indonesia won't ask OPEC for quota hike

JAKARTA, Dec 11: Indonesia, a member of the OPEC, would not ask for increasing its petroleum production quota from the organization, a senior official said here today, reports Xinhua.

"We will not ask yet (for increasing the oil production quota) as we think the current figure is enough to make oil price in international market become stable," Minister of Mine and Energy Soesilo Bambang Yudhoyono said.

Oil price in international market, he said, could always go down.

"But the current rate which have been fluctuated between 23 US dollars to 25 US dollars per barrel seems make a sense," he said.

The country's oil production quota is 1.1 million barrels a day.

He added that rate of the current oil price could hold out at least until March 2000 as OPEC (Organization Petroleum Exporters Countries) could be disciplined in maintaining their production level.

The minister also said that OPEC members in the Middle East had agreed to maintain its quota for the next couple of years.

"I have met with them (the Middle East oil ministers) and they have the same view with us that the current oil production level is reasonable so that it should be defended to stabilise oil price in international market," Yudhoyono said.

But, however, he admitted that there would be a possibility for the increasing of oil production particularly from the OPEC countries.

"But I don't think that a such increment would be dramatic, but slightly very very slightly," he said.

Meanwhile, Minister of Finance Bambang Sudibyo earlier said the assumption of oil price in international market for the country's state budget April-December 2000 was between 16 to 19 US dollars per barrel.



Saudi Arabian Airlines and the Association of Air Cargo Agents of Bangladesh jointly organised a course on International Cargo Rating in the city recently. Picture shows the participants along with Anwar M Mukhter, Manager Bangladesh-Nepal, and Irfanul Haq, Manager - Sales and Marketing. — Adcomm photo

## Emirates posts record inflight phone call rate

Emirates passengers make an average of 3,000 phone calls on board flights each month via the airline's satellite communications system called EMTEL, says a press release.

This is a 50 per cent increase over a year ago, and represents the world's highest user rate of all commercial airlines, according to SITA, the leading provider of integrated telecommunications and information solutions for the air transport industry.

SITA's records show that Emirates holds the record for the highest monthly average call attempts per aircraft, which stands at 289.81. The highest was recorded in September this year, at 841 call attempts made on board an Emirates Boeing 777.

Emirates management attributes the impressive user record to a bold decision earlier this year to slash service charges by 20 per cent. Emirates now charges its passengers US \$6.50 per minute transmission — the lowest rate by a commercial carrier for air-to-ground transmissions in international airspace.

Don Foster, Emirates' Director Service Delivery, said: "We wanted to encourage higher user rate by making the service more affordable. We are pleased that it has worked, allowing our passengers to keep in touch with their loved ones or people at work, when travelling on board Emirates. We are keen to reduce prices even further and are working with our telecommunications partners in this endeavour."

The highest usage has been recorded on Emirates flight to London, to which the airline operates three daily flights into Heathrow and once-a-day to Gatwick.

EU ministers agree on trans-European rail freight network

BRUSSELS, Dec 11: European Union transport ministers on Friday provisionally agreed to create a trans-European rail freight network, aimed at reversing years of steady decline in capacity and easing traffic congestion on the roads, says AP.

"This starts a new era in railway policy in the European Union. It means that the rail industry will not fall away in Europe," said Finnish minister for transport and communications Olli-Pekka Heinonen, who chaired the meeting.

## Metal: Weekly Roundup Gold down on Dutch sales plan, silver trails

LONDON, Dec 11: The price of gold fell further this week after the Dutch central bank said it intends to sell 100 tonnes of gold in 2000 and a total of 300 tonnes in the next five years in line with a central bank agreement, reports AFP.

The gold spot price fell to 279.25 dollars an ounce on the London Bullion Market from 282.40 dollars.

The Dutch bank said that its sale was part of an agreed programme of auctions co-ordinated by 15 European central banks, which announced in September that overall they would not sell more than 2,000 tonnes of gold in the next five years.

Although the Dutch sale had been widely expected by dealers, it came as the latest blow to beleaguered market sentiment, which has suffered from the Bank of England's latest gold auction.

That sale of 25 tonnes of gold attracted far less demand

than there had been at previous auctions.

However, the Dutch central bank said that once it had sold the gold it would remain a gold holder, retaining more than 700 tonnes in its reserves.

**Silver:** Slipper. Silver prices followed gold lower again this week.

An ounce of silver on the London Bullion Market fell in price by seven cents to 5.09 dollars an ounce.

**Platinum and Palladium:** Glitter. The price of these two sister metals rose amid quiet trading conditions.

Platinum prices rose by five dollars to 438 dollars an ounce and palladium gained six dollars to 407 dollars an ounce.

**Base Metals:** Slide. Nickel prices slid lower as industrial unrest at the Thompson complex in Manitoba, central Canada, finally came to an end.

Unions and management

reached agreement Friday on a pay dispute that had hit production at the mine owned by Inco, the world's leading nickel producer, since September.

The company announced last month that it had been unable to meet a number of orders because of the strike action.

The other base metals were constrained to a narrow trading range amid thin volumes.

On the London Metal Exchange (LME), three-month nickel prices fell by 40 dollars to 7,980 dollars per tonne.

Copper gained three dollars to 1,753 dollars per tonne after market reserves fell by 10,650 tonnes to 764,700 tonnes.

Aluminium fell by 5.5 dollars to 1,553 dollars per tonne.

Zinc gained 14 dollars to 1,184 dollars per tonne.

Lead fell by 1.5 dollars to 491 dollars per tonne after a rise of 3,025 tonnes in LME stocks to 177,525 tonnes.

Tin lost 50 dollars to 5,750 dollars per tonne.

## Fourth quarter Xerox earnings may go below projection

STAMFORD, Connecticut, Dec 11: Xerox Corp. warned Friday that its fourth-quarter earnings may be as much as 40 per cent lower than Wall Street analysts projected, blaming Y2K worries and foreign currency problems, reports AP.

Investors immediately sent shares down nearly 15 per cent.

In a statement the document systems company stressed that its estimate was preliminary. However, results for October and November indicate the factors that brought about a drop in third-quarter earnings have intensified, Xerox said.

Analysts surveyed by First Call/Thomson Financial have been expecting earnings of 66 cents a share. But Xerox said it will fall well short of that.

The company blamed four major factors:

- lagging sales of high-end products because of customer concerns about the Y2K problem;
- higher than anticipated expenses due to the effects of reorganizing its customer administration system;
- lower-than-anticipated profits from its Brazilian operations as a result of the continuing economic weakness following a major currency devaluation earlier this year; and the strengthening of the US dollar against European currencies and lower sales productivity in the US and Europe.

"While I am disappointed with these adverse developments, the primary reasons are clearly unrelated to long-term fundamentals," said Rick Thoman, Xerox president and CEO.

## Aggressive Wal-Mart now sets its sights on Europe

DORTMUND (German), Dec 11: Don't be fooled by the traditional Christmas market outside the main entrance. Behind the pine-decked huts selling gingerbread cookies and steaming cups of mulled wine is something decidedly unconventional for Germany: Wal-Mart.

The world's largest retailer has set out to conquer Europe's biggest market, and all signs so far — from the steady stream of cart-wielding customers to rounds of supermarket price wars — indicate it has shaken up a holy competitive market.

German retailers may snicker at Wal-Mart practices like the employee cheer-sounding in English: "Give me a W, give me an A... Who's No. 1? The customer always!" and grumble about Wal-Mart prices they suspect are below cost, something that's illegal in Germany.

But they also are scrambling to slash prices and improve their own notoriously poor reputation for customer service.

"Wal-Mart is a strong company, no question," says Wilhelm Schulte, director of the retailing association in Dortmund, where Wal-Mart opened its flagship supercenter Aug. 31.

Since Sam Walton opened the first Wal-Mart in 1962 in Rogers, Arkansas, the company has expanded aggressively in the United States, Latin America and Canada. But it didn't set its sights on Europe until December 1997, when it took over the German Wertkauf group of 21 stores. A year later it added 74 interspar hypermarkets.

Then followed months of remodelling — wider aisles, better lighting, more checkout counters — hiring more staff and teaching them the "Wal-Mart culture" before the last of the 95 stores was rechristened Wal-Mart in September.

Germans used to cramped stores, rude sales clerks and long waits at the checkout are responding.

"It takes us 15 minutes to drive here, but it's worth it," said Wal-Mart shopper Thomas Kalkhof. "The prices are low, the employees are friendly, you can get information from them."

Yet whether long-term success will follow is unclear. Other international chains have sought to establish footholds in Germany, an enticingly wealthy land of 80 million consumers and stumbled despite deep corporate pockets.

Part of the problem is that profit margins are thinner, due to higher labor costs and a greater density of stores per shopper, meaning tougher com-

petition. Whereas in Britain, supermarkets can clear a net profit of 6 to 8 per cent of sales, the margin is 1 per cent or less in Germany.

"Whoever believes they can really clean up quickly in the German market is mistaken," Schulte says, citing the examples of chain Toys 'R Us and Britain's Marks and Spencer, which closed four of its six German stores last summer.

Conscious of such missteps, Wal-Mart Germany executives say they have adapted rather than copied the US formula so they could better cater to local tastes.

The meat counter is weighted

toward hefty pork shoulders and sauerbraten. Freshly baked soft pretzels share shelf space with sugared doughnuts. McDonald's is up front, but there's a cafeteria in the back for those who prefer Wurstbrot-open-faced sandwiches with sausage and butter.

Even the pictures on Wal-Mart's brand of pet food were changed: Sam Walton's English setter was replaced by a terrier.

Plastic shopping bags are free at the checkout — an oddity here but customers are asked if they want to pack their purchases themselves or let the clerk do it.

— AP Feature



Nasimul Hasan Sufi, Marketing Executive of Gulf Air, recently led a group of top Bangladeshi cargo agents to the United Arab Emirates on an Agent Educational Tour. Picture shows the owners of the agents before their departure at Zia International Airport. — Gulf Air photo

## Investors scramble for dollar Euro still wallowing at life-time lows

NEW YORK, Dec 11: Europe's single currency fell yesterday, relinquishing a sizeable chunk of the gains it made during the week, as investors bet that the US economy would continue to see low inflation and strong growth, reports Reuters.

After dropping in Europe, the euro succumbed to further pressure early in the New York session, slouching to its lowest levels in four days against the dollar, when tame US price data sent investors scrambling to buy the greenback.

"People are back in buying the dollar again, realising the 's not a good chance of any' in' on coming back into the market any time soon, with the benign numbers that came out

today," said Russell LaScala, chief dealer at Citicorp.

Strong gains in US asset markets also helped give the dollar a boost against the European currency, dealers said.

The Dow Jones industrial average ended 89 points higher at 11,224 as investors celebrated a benign 0.2 per cent rise in November US producer prices that matched Wall Street expectations. Excluding volatile food and energy prices, the PPI was unchanged.

The euro also fell to a lifetime low of 62.32 pence against the British pound EURGBP, before paring its losses slightly, and slumped to four-day lows against the Japanese yen EUR-JPY near 103.50.

## RHD Notice Inviting Tender

1. Tender Notice No : 25/1999-2000.
  2. Name of works : Supply of spare parts & machinery works for fuel pump, prop unit, & gear box of 75 HP Ford Engine at 001/72 ferry at Bazurria ferry ghat, engine overhauling, suspension, danting, painting of pickup No. Dhaka-DA-142 and supply of spare parts for 150/190 KW. MAN, 110 HP DAF Engine & different ferry engines of different ferry ghats in 6 (six) groups (As per schedule) under ferry sub-division Faridpur during the year 1999-2000. Ch to: 168-RBF-2 repair.
  3. Estimated cost : As per schedule.
  4. Earnest money : 2% of the estimated cost.
  5. Time allowed : As per mentioned in the schedule.
  6. Entitled contractors : A to C general categories of contractor under RHD, 'D' general category contractors under Mechl. Ferry Circle, Dhaka and 'E' general category contractors under Ferry Construction Divn, Dhaka.
  7. Name of offices for selling tender documents : Executive Engineer, RHD, Planning Division, Dhaka/Executive Engineer, RHD, Ferry Construction Divn, Dhaka/Ferry Maintenance Division, Dhaka/Ferry Division, Sylhet /SDE RHD, Ferry Construction Sub-Divn, Dhaka & SDE, RHD, Ferry Sub-Divn, Faridpur.
  8. Name of office for receiving tender documents : Superintending Engineer, RHD, Mechl Ferry Circle, Dhaka/Superintending Engineer, RHD, Monitoring & Evaluation Circle, Dhaka/Executive Engineer, RHD, Ferry Construction Divn, Dhaka/Ferry Maintenance Divn, Dhaka/Ferry Divn, Sylhet.
  9. Last date of selling tender documents during office hours : 22-12-99 Eng/08-09-1406 Bang.
  10. Last date & time of receiving tenders : 23-12-99 Eng/09-09-1406 Bang up to 12.00 Noon.
  11. Date & time of opening all the tenders by the undersigned : 28-12-99 Eng/14-09-1406 Bang at 12.45 PM.
  12. Date & time of lottery (if applicable) : 29-12-99 Eng/15-09-1406 z.t 11.30 AM.
- Sealed tenders are hereby invited from entitled contractors mentioned above in prescribed schedule along with the BD Form No 2908/2911. Tender if received after the fixed time will be treated as rejected. Tender will be opened and lottery (if applicable) will be drawn in the fixed date & time in presence of the interested contractors (if any). The undersigned reserves the right to reject any or all the tender without assigning any reason.
- NB: Group No 1, 2, 3, 4 & 6 will not be received by the Superintending Engineer, RHD, Monitoring & Evaluation Circle, Dhaka and will not be sold from the office of the Executive Engineer, RHD, Planning Division, Dhaka.
- Executive Engineer, RHD  
Ferry Construction Divn  
House No 536, Rd No 11, DOHS  
Baridhara, Dhaka
- DFP-27420-7/12  
G-2097

**Bangladesh Power Development Board**

সময়মতো সঠিক বিদ্যুৎ বিল পরিশোধ করুন  
সরকারকে ফাঁকি দেয়ার প্রবণতা বন্ধ করুন

### BPDB's Local Tender Notice

Local sealed tenders are invited by the BPDB from the renowned registered suppliers for supply of Car, Laptop PC, Color Printer, Laser Printer, Multimedia Projector for System Protection Metering Circle Dhaka.

Sl No	Tender Enquiry No & date	Description of Materials	Qty	Cost of tender document	Tender receiving date
1	Pur-259/99 dt 23-11-99	1. Laptop PC 2. Laser Printer 3. Color Printer 4. Multimedia Projector	2 Nos 1 No 1 No 1 No	Tk 1,000/-	27-12-99

2. A complete set of tender document may be purchased by interested bidders on submission of written application and upon payment of Non-refundable fee of Taka as mentioned in column-5 each as above against this tender in the shape of Bank Draft/Pay Order in favour of Director, Purchase, BPDB, Dhaka. Documents will be available for sale from the office of the undersigned during office hours up to 26-12-99.
3. A bid bond equivalent to 2.5% of the offered price shall be submitted with tender.
4. Tender will be received up to 11.00 AM and will be opened at 11.30 AM in the prescribed date as mentioned in column-6 each as above in presence of the intending bidders or their representatives if any. Tender shall neither be sent by post nor it will be sold on the opening day. Offer send by Post/Telex/DHL/FAX will neither be received nor it will be accepted.
5. The expenditure will be booked against Central Revenue Budget (1999-2000) for procurement of transport.

Biddut/Jan-905(5)/99-2000  
DFP-27264-6/12  
G-2091

Director, Purchase  
BPDB, Dhaka

**DESA Local Re-Tender Notice**

Memo No. PS-1/Pro-2/547 Dated: 17/11/99

নিয়মিত বিদ্যুৎ বিল পরিশোধ করুন  
সকাল বেলায় বিদ্যুৎ ব্যবহার হ্রাস করুন

Dhaka Electric Supply Authority invites bids for Different Electrical Materials against the following tender for the Emergency Maintenance & Rehabilitation Project Phase-3 for Sub-Transmission & Distribution System. Reputed manufacturers/their representatives are eligible to participate in this tender.

Sl. No	Tender enquiry number	Materials	Last date for buying tender document	Tender submission/ opening date	Cost of tender document
1	547/ER-3/DOF CUT-OUT	11KV DOF & 11KV Lightning Arrestor	30/01/2000	01/02/2000	Tk 1500/-

Tender documents will be available for inspection and purchase (through application) during normal office hours in any of the following offices:

- a) Divisional Commissioner, Dhaka-Division, 1st 12 Storied Govt. Building, Segunbagicha, Dhaka.
- b) General Manager, Consumer's Services (North), Dhaka Electric Supply Authority, 75-Kakrail, Dhaka.
- c) General Manager, Consumer's Services (South), Dhaka Electric Supply Authority, 12/1/A, Motijheel C/A, Dhaka.
- d) Project Director, Greater Dhaka Power Distribution Project, House No. 47, Road No. 135, Gulshan, Dhaka.
- e) Director, Procurement & Store Management Dte., Dhaka Electric Supply Authority, 1, Abdul Ghani Road, Dhaka-1000.
- f) Secretary, Dhaka Electric Supply Authority, 1, Abdul Gani Road, Dhaka.

The cost of tender documents (non-refundable) shall be paid through Pay Order/Demand Draft issued by any scheduled local bank favouring Director, Finance & Accounts, DESA. Tender document shall be obtained personally and DESA will not take any responsibility for sending tender documents to any body. Tender shall be received in the abovementioned offices on the specified date up to 11.30 hrs (BST) and tenders received will be opened publicly on the same day at 2.30 hrs. (BST). Late tenders, if any, shall summarily be rejected.

DESA reserves the right to accept or reject any or all bids at any stage without assigning any reason thereof.

DFP-27102-5/12  
G-2092

Director  
Procurement & Stores, DESA