

Business

Ctg EPZ units export Tk 83 cr goods

Enterprises of the Chittagong Export Processing Zone (CEPZ) exported goods worth Tk 83.1 crore in the first half of the current fiscal year, reports UNB.

The release shows a 34 per cent growth over last fiscal's corresponding period, when the amount was Tk 552 million, says a BPEZA press release in Dhaka on Tuesday.

The release says since industrial operation started in the zone in 1983, CEPZ has exported commodities worth Tk 4257 million.

Major exportables include electronics and electrical goods, audio and video equipment, fishing and golf gears, shoe, textile fabrics, perfumery and readymade garments.

Japan tops the list of investors with 15 industries with an investment of more than Tk 154.1 million followed by the United States with Tk 1010 million.

Among the 70 industries sanctioned so far, 31 are entirely foreign-owned, 20 joint ventures and the rest 19 owned by local entrepreneurs.

A total of 22,000 workforce will get employment in the Zone when all the units go into operation. Thirty-four units have already gone into production.

Work of the country's second EPZ is in progress at Savar and is likely to be operational by the middle of next year.

Unhindered output can boost garment exports by 25 p.c.

By Inam Ahmed

Readymade garments had another upbeat year in 1990. A 23 per cent growth boosted its export earnings to Taka 2,200 crore, the largest amount for one sector.

Steady gains in '80s contributed to a phenomenal expansion of the garments sector, though export quotas for major markets such as the US and Canada remained a great hurdle.

Bangladesh has been a late starter in garments. From only six in late 70s, the number of units stands now at over 720. The industry employs five lakh workers, mostly females.

Presently, the country is the seventh largest exporter of garments to the US and 10th to the EEC and Canada.

Garments industry circles are optimistic about a further rise, by at least 25 per cent, in exports in 1991.

They are, however, cautious to note that recurrence of wildcat strikes would cause serious disruptions to production and exports.

The industry witnessed an extensive labour unrest only recently. Some insiders observed that the unrest was mainly incited by "extraneous elements who want to cripple the industry."

Thanks to the intervention by the major political parties, the troubles in the industry have subsided. But, an uneasy situation still persists.

In the garments sector, Bangladesh has to compete with China, Hong Kong, South Korea, Taiwan and Macao.

The industry sources said,

India and Pakistan are also competitors with Bangladesh garments in the major markets. But Bangladesh has an edge over India and Pakistan because of its better quality imported fabrics and other materials.

Presently, China tops the exporters list in the global market with about three billion Dollar earnings from the US alone. Its exports grew 16 per cent last year.

The three top markets for Bangladesh in 1990 were the US (about 500 million dollars), the EEC market is still quota free for Bangladesh.

Each year, Bangladesh gains about six per cent of its quota in the US and Canada.

Sources said, the country's quota performance was very

encouraging despite the political turmoil and labour problems. The average export has almost reached the quota limit, they said.

A foreign expert in Dhaka who is now involved in promoting the garment sector said that Bangladesh would become the top garment exporter in next ten years.

Prospects are bright because of highly encouraging performance in recent years, he observed.

He dismissed the contention that if the country failed to fulfil its quotas, the next year's quota would be reduced.

One year's quota could be shifted to the next year, he added. Moreover, the quota for Bangladesh increases six per cent each year.

Pak economy under the gun

KARACHI, Jan 15: Pakistan's Gross Domestic Product (GDP) grew at an annual rate of 5.2 per cent last year, but dragging exports and a continuing balance of payments deficit kept the economy under the gun, the central bank said Monday, reports AFP.

An annual report by the State Bank of Pakistan released here said the GDP growth rate was 5.2 per cent in the 1989-1990 fiscal year to June 30, up from 4.8 per cent during the preceding year.

The country's balance of payments deficit fell to 1.7 billion Dollars or 4.4 per cent of Gross National Product (GNP), against 1.9 billion Dollars or 5.2 per cent of GNP the previous year, the report said.

Prices rose about 6.0 per cent compared to 10.4 per cent to 4.9 billion Dollars,

compared with a 5.3 per cent hike the previous year. They had been expected to increase by 9.2 per cent.

The sluggish growth in exports was almost wholly due to a 0.5 per cent decline in exports of rice, cotton and cotton-based products, which had recorded an annual average increase of about 22.9 per cent during each year from 1985 through 1988.

Non-traditional exports increased their share to 25.5 per cent of total exports from 21.8 per cent.

Exports of semi-manufactured and manufactured goods increased substantially by 33.1 per cent and 22.4 per cent respectively to 1.17 billion Dollars and 2.78 billion Dollars.

According to the report, imports totalled 6.9 billion Dollars, a 1.8 per cent decline over the preceding year.

Dhaka - Kuala Lumpur trade ties to grow

CHITTAGONG, Jan 15: Malaysia will increase cooperation with Bangladesh in the fields of trade, industries and technology transfer, reports ISS.

Tunku Nazhiya Mohammad Rose, High Commissioner of Malaysia in Bangladesh said this while exchanging views with Chittagong Chamber of Commerce and Industries President Amir Khosru Mahmud Chowdhury at the Chamber House at Chittagong on Monday.

The Malaysian High Commissioner said Bangladesh had potentials for developing industries based on Agriculture, Fish and Gas and that hilly areas and fallow lands could be effectively utilised for productive purposes. Malaysia can also extend increasing assistance in Rubber Plantation and culture and Palm Plantation.

The High Commission agreed with the Chamber President that there was need for formation of a joint Economic Commission between Bangladesh and Malaysia to identify common fields of co-operation in trade, Commerce and Industries.

The CCCI President explained Bangladesh Government policy for foreign investment, including the facilities for setting up industries at Chittagong Export Processing Zone.

Mr. A.K.M. Shahidul Islam, honorary Consul of Malaysia in Chittagong, was also present during the meeting.

Canadian consultant in city

Star Economic Report

A Volunteer Consultant from the Canadian Executive Service Organisation (CESO) is currently in Dhaka, assisting Orient Food Co., A. B. Biscuit Co. and Noorani Food Industries in their efforts to improve operational performance.

A press release by Micro Industries Development Assistance Society (MIDAS) said on Tuesday, the CESO is a non-government organisation of Canada.

MIDAS which is the authorised Resident Representative of CESO in Bangladesh requested individuals or organisations seeking assistance from Mr. Gerard Wilbrink, the visiting consultant, and others on the CESO roster to contact its office at House No 5, Road No 16 (old 27), Dhanmondi, Dhaka or over telephone number 310680.

Tea sale dull in Ctg

CHITTAGONG, Jan 15: The weekly tea sale, held here today, was almost dull as buyers were not so active, market sources said, reports BSS.

Iranian buyers were much less active and only absorbed a small quantity of tea. As a result, prices for all broken were considerably easier with fair withdrawals.

There was, however, more interest from Pakistan and continental buyers for Medium and Fannings and also for a small weight of Medium Broken, which were a good market.

A few selected lines of Grainsy Fannings were also completed for by Iranian buyers at firm rates.

Green teas were bought by Pakistan while Orthodox teas, particularly the whole leaf, were bought by the continent.

Broken were a much easier market following selective demand which weakened as the sale progressed with prices declining by upto Tk 5 per kg. There was fair withdrawal specially for bold types. A small weight of well made teas were also easier and sold between Tk 52/50 and Tk 53/30 per kg.

However, primary Fannings were again a good market and were generally firm specially for the clean Grainsy types. Medium Fannings were slightly dearer. A fair weight of clean Grainsy types sold between Tk 56 and Tk 62.

Of the Orthodox category Whole Leaf grades were readily absorbed at Tk 66 per kg, while others were generally a lower market.

Concern over situation in garments

by Staff Correspondent

Dhaka University Economics Department Alumni Association has expressed its deep concern over the situation in the garments industry.

In a recent meeting of its executive committee, the association noted that it was extremely unfortunate that the industry had slumped into a serious crisis following some incidents.

It said, the industry has far-reaching and growing importance in the present socio-economic context of Bangladesh. It urged the authorities to take speedy steps to solve the problems.

Snippets

Japanese aid for evacuation from Iraq

TOKYO, Jan 15: Japan will give 38 million Dollars in emergency aid to help foreign nationals leaving Iraq under pressure of the January 15 United Nations deadline for Iraq to withdraw from Kuwait, the Foreign Ministry said on Monday, reports Reuter.

The money will be donated to the office of the United Nations Disaster Relief Coordinator (UNDRO), the Ministry said in a statement.

Japan has already earmarked four billion Dollars to support efforts to oust Iraq from Kuwait.

Industrial production falls in USSR

MOSCOW, Jan 15: The Soviet government has reported industrial production fell by one percent in 1990, giving further evidence the country's economy is deteriorating, reports Reuter.

Industrial output declined by 2.8 per cent in December, the authoritative newspaper Izvestia reported late last week, quoting the state committee on statistics. During the first 11 months of the year, production fell by 0.9 per cent.

Many economists say the decline in production is due to the dismantling of traditional centralised links without new economic structures to replace them.

Japanese ships to stay out of Gulf

TOKYO, Jan 15: Japanese government Ministers, Shipping Firms and Seamen met here Monday to discuss navigation in the Gulf as the prospect of war grows officials said, reports AFP.

Those who took part agreed that Japanese ships in the Gulf should move to safer waters if war breaks out and that those which plan to enter the Gulf should stay out, they said.

Bank reforms lower inflation in Laos

BANGKOK, Jan 15: The inflation rate in Laos has been brought down to about 15 per cent, according to an official radio report monitored here Monday, reports AFP.

Radio Vientiane quoted a senior state bank official of Laos as saying that the inflation rate had fallen dramatically in the first half of last year from about 70 per cent annually "in recent years."

The official said the gradual lowering of the inflation rate was to be ascribed partly to reforms in the banking system with the application of business accounting mechanisms.



Productive use of waste leather: Hand gloves are in the productive line of a local factory producing the item from waste leather. Mostly women workers are employed in the job. The products have a lucrative export market.

Manila seeks fund to cope with Gulf crisis

MANILA, Jan 15: The Philippines said on Monday it would seek access to funds set aside by the European Community, Japan and Gulf states to help nations cope with the Gulf crisis, reports Reuter.

Finance Secretary Jesus Estanislao told reporters Japan, Germany, the EC, Kuwait and Saudi Arabia had committed between 12 and 14 billion Dollars to "Frontline States" which oppose Iraq's occupation of Kuwait.

Egypt, Turkey and Jordan have already taken advantage of the funds, he said.

"Since we have so many Filipino (Workers) in Saudi Arabia, we should be considered also as a frontline state. We are initiating the process of being able to get some funds from the sum that was committed by these countries," Estanislao said.

Philippine officials said there are up to 5,00,000 Filipino workers in the Middle East, including about 3,90,000 in Saudi Arabia.

Estanislao said the government expects to conclude negotiations with a delegation from the IMF this week to help it ride out the economic impact of the Gulf crisis.

Malaysia steps up drive to attract foreign investments

KUALA LUMPUR, Jan 15: Malaysia is to intensify its drive to attract foreign investment this year, after aggressive promotion in 1989 drew in proposals worth 18 billion US Dollars last year, it was announced Monday, reports AP.

"We are going on an intensive promotion campaign this year," the Minister of International Trade and Industry, Rafidah Aziz, told a news conference.

"Last year we slowed down in our promotion to follow up on 1989," she said, adding: "There are still many untapped sectors in Japan, Europe and the United States."

She said Malaysia would sell itself as an investment centre with a trainable and educated workforce able to adapt quickly to new technology, rather than as a place where cheap labour could be obtained.

Local labour costs, although still cheaper than in Hong Kong, South Korea and Taiwan, are higher than in neighbouring countries like Thailand and Indonesia.

Ms. Rafidah said the Malaysian Industrial Development Authority (MIDA) had approved 1,286 projects worth

48.7 billion Dollars (18 billion US) last year, compared with 910 projects worth 20.14 billion Dollars (7.46 billion US) during 1989.

Taiwan emerged as the biggest foreign investor in Malaysia last year with proposals valued at 6.34 billion Dollars (2.35 billion US) compared to 2.16 billion Dollars (800 million US) in 1989, she said.

Japan was second with 4.21 billion Dollars (1.56 billion US) pledged last year, compared to 2.69 billion Dollars (996 million US) in 1989.

Ms. Rafidah said there was rising interest from South Korea last year, with projects approved rising to 650 million Dollars (241 million US) from 189 million (70 million US) in 1989.

Much of last year's proposals were for projects in the electronics and electrical sector, textiles and textile products, wood and wood products, chemical and chemical products, plastic products and fabricated metal products.

Ms. Rafidah said the big surge in the proposed capital investment was due primarily to two multi-million Dollar petrochemical projects and an

Major trading nations move toward balance

WASHINGTON, Jan 15: The world's biggest trading nations were moving slowly toward balance in their trade, though they still had a long way to go, reports AP.

The International Monetary Fund (IMF) released on Monday its report on trade operations of the major industrial economies.

Looking at trade in the first nine months of last year, the Fund found that Japan was reduced its surplus by 8.1 billion Dollars. But than it imported. Japan has been under heavy pressure by other countries to emphasize production for use at home rather than for export, and to increase its imports.

The United States runs a big deficit in trade and has been under pressure to reduce

it. It did reduce it, coincidentally, by the same amount as Japan reduced its surplus: 8.1 billion Dollars. But Americans still bought 87.1 billion Dollars worth of goods more than they sold in the nine months.

West Germany's trade surplus declined by 4.5 billion Dollars to 50.3 billion Dollars. The surplus may decline more as products from West Germany go increasingly to the areas that were formerly East Germany, and decreasingly to the areas that were formerly East Germany, and decreasingly to other countries.

Germany's imports were growing faster than any other major country's and US imports were growing most slowly.

Industrial production in Japan and Germany was rising twice as fast last summer as in the

United States, the IMF reported.

The fund compared the months of July, August and September of 1990 with the same period in 1989.

It found that production in Japan rose by 5.8 per cent, in Germany by 5.4 per cent and in the United States by 2.7 per cent. In Britain there was a decline of 1.8 per cent.

The Fund uses the year 1985 as a base. Since then, Japan's industry has increased production by 25 per cent, Germany's by 18 per cent and America's by 9 per cent.

DSE trading suspended

Star Economic Report

Trading at Dhaka Stock Exchange (DSE) was suspended on Tuesday as a mark of respect to the memory of its senior member Md. Hanif who died on Monday.

The members of the Exchange held a condolence meeting at the trading hall with DSE Chairman Khwaja Abdul Qudus.

The speakers recalled the contributions made by late Hanif to strengthen DSE. Obituary references were made by Mr. Abdul Huq, Hony. General Secretary, Mr. Shafi Ahmed and Mr. Joyanal Abedin.

Prayers were offered for the salvation of the departed soul. A milad mahfil will be held at DSE after the trading hours on Thursday.

Exchange Rates

January 15

RATES, offered by Commercial Banks, for Bills on Collection (BC) selling and Overdrafts (ODs) transfer buying.

Table with columns: One Unit of Foreign Currencies (FCs) for Taka, Buying, Selling. Includes US Dollar, UK Pound Sterling, German Deutsche, French Franc, Saudi Riyal, Dutch Guilder, Pakistan Rupee.

Table with columns: Selling, Buying. Includes Singapore Dollar, UAE Dirham, Kuwait Dinar, Indian Rupee.

SECONDARY EXCHANGE MARKET

Wage Earners Fund/Export Performance Benefits (XPB) Fund

Table with columns: Buying, Selling. Includes US Dollar, UK Pound, Sterling.

*The rates of Pound Sterling are decided every day, based on the cross-rates of New York market

Meanwhile Sonali Bank announced on Tuesday the BC (Bills on Collection) selling and OD (Overdrafts) transfer buying rates for Commercial Banks for to-day (January 16, '90).

Table with columns: Buying, Selling. Includes US Dollar, UK Pound, Sterling.

*AMU-Asian Monetary Union

SECONDARY EXCHANGE MARKET

Wage Earners Fund/Export Performance Benefits (XPB) Fund

Table with columns: Buying, Selling. Includes US Dollar, UK Pound, Sterling.

*The rates of Pound Sterling are decided every day, based on the cross-rates of New York market

Source: Sonali Bank

The prices of Gold & Silver, Hides & Skin and Essentials remained unchanged on January 15 from those on the previous day. So we have not carried the items in today's issue.

RAW JUTE

January 15

Kuteha Bales (Taka per 100 Kg) FOB Narayanganj Daulatpur Varieties Medium Bottom

Table with columns: White, Tossa, Meshta, FOB = Freight on Board Pucca Bales. Includes values for 1393, 1500, 1125, 1340, 1447, 1098, 1206, 1286, 1045, 1072, 1125, 857.

FOB Ready Narayanganj

Table with columns: Varieties, Taka per bale/180kg, FOB Sight Mongla/Chittagong Ports US dollar per metric ton*. Includes items like Bangla White, BW SPL, BWA, BWB, BWC, BWD, BWE, Bangla Tossa, BT SPL, BTA, BTB, BTC, BTD, BTE.

Table with columns: White Rejection (WRS)/Tossa Rejection (TRS), Habuabir, Cut Ropes. Includes values like 1650, 1300, 1750, 1400, 1250, 270, 200, 280, 210, 210.

Table with columns: White/Tossa Cuttings. Includes items like BWCA, BWCB, BTCA, BTCE, Meshta Spl, A, B, C, SPL Cuttings, Ord. Cuttings, SMR.

* Indicative Price at which sales may be considered for EPC registration.

The US dollar prices are exclusive of any selling commission. (O. D. (Sight non-traditional/applicable to export bills) US One dollar = Tk 35.4956)

Imports/arrivals at Narayanganj were seven to eight thousand tons while at Daulatpur at six to seven thousand mounds (One mound is equal to 37.32417 Kgs)