

## Grameen Bank to provide weavers with institutional support

The Grameen Bank is launching a new commercial venture to provide institutional support to the country's traditional weavers, enabling the non-formal sector to tap huge demand for handwoven cotton fabric in the export-oriented garment industries.

The new not-for-profit company, to be known as Grameen Uddyog, would provide working capital loans to the handloom weavers and would also provide marketing back-up services for their products, said M Khalid Shams, Deputy Managing Director of the Grameen Bank.

"There is tremendous potential in this sector as a huge quantity of ready-made garment made with imported Indian handloom fabrics is exported to the United States each year," he noted. "Bangladesh has the capacity to gradually expand into a large-scale operation in this sector."

According to the National Handloom Board there are some eight lakh handlooms and about half-a-million weavers operating in the country. The board also estimates that nearly

half the existing handlooms are currently lying idle due to the loss of the internal market share for sarees and lungis.

Experts feel that the Grameen Bank initiative comes at a crucial time and can greatly help to revive the traditional handloom industry, provided it can be successfully linked to the export-oriented garment industry.

However, to achieve that goal government support and a co-ordinated effort would be crucial, they added.

The Grameen Uddyog is expected to be incorporated as a company later this month with funding from Grameen Bank. The bank, Shams said, is already involved in providing working capital and marketing help to the 50,000 or so weavers among its 1.5 million borrowers around the country.

The results in terms of quality has turned out to be excellent while response from the export buyers is very encouraging, he said.

"Our handwoven fabric made according to foreign specifications — have been

tested separately in laboratories in the United States and in Hong Kong for colour fastness and quality, and it was found to be comparable or even superior to those known as 'Madras-check' and is imported from India," he added.

The Grameen Bank started to take an interest in this traditional sector following a meeting last year with the officials of the Export Promotion Bureau and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Production was initiated in February this year and the fabric received a very favourable response from buyers at the textile exhibition, Batexpo, held in July last.

The locally produced handwoven cotton fabric is also very much competitive in price to the Indian merchandise, which is reflected by the excellent market response it has initially received, Shams pointed out.

A BGMEA official also agreed that the initial results are very encouraging and the quality and the price of the fabric are

competitive.

"We highly appreciate the effort of the Grameen Bank to develop the handloom sector and we welcome it," he said. "The garment sector is very much interested in the locally produced fabrics and we will buy it provided it can be delivered at a competitive price and in time."

The Grameen Bank delivered the first consignment of 24,000 yards of the handwoven cotton fabric in July while it has recently delivered 1.5 lakh yards of another order for three lakh yards. Another purchase order of four lakh yards of the material has been placed recently.

The Grameen Bank executive noted that almost all the orders received so far came from overseas buyers, primarily from Bangladesh expatriates and linked to the Western ready-made garment markets.

Presently, the 17,000 or so garment factories in Bangladesh annually import nearly Tk 400 crore worth of fabrics from India, of which about 25 per cent is of the handwoven cotton variety.

A garment factory owner,

when asked, indicated that the reluctance of local garment companies to purchase the locally-made fabric may have something to do with the fact that usually they do not determine from where the fabric should come from.

The country of origin of the fabric is decided by the buying houses, who deal directly with the ready-made garment buyers in the West. As most of the buying houses operating in Bangladesh are manned by Indian nationals, he reasoned, they perhaps prefer to purchase the Indian merchandise.

The BGMEA official also noted that although there is 25 per cent cash incentive, under the new export policy, for the local garment factories to use local handloom fabrics, in practice it is very difficult to implement due to procedural bottlenecks.

However, experts opined that these problems can be overcome with adequate policy-level support from the government along with a coordinated approach to remove procedural problems in implementation.

## United Airlines rejects employee ownership offer

CHICAGO, Nov 13: United Airlines rejected an employee ownership offer from its pilot and ground-crew unions late Friday, calling it "substantially deficient," reports AP.

The International Association of Machinists and the Air Line Pilots Association then rejected United's counter proposal, the company said.

Consequently, United said, it would proceed with a planned sale of 15 of its 17 flight kitchens to Dobbs International Services Inc., a move the unions have said would trigger a labour confrontation.

The union's offer, which it had valued at five billion dollars, "was substantially deficient from the standpoint of providing adequate value to shareholders," United's parent company, UAL Corp., said in a statement. It did not elaborate.

Under the union's proposal, the company had until midnight CST (0500 GMT Saturday) to cancel the 119.4 million dollar kitchen sale.

"We are bitterly disappointed that management has placed short-term profits from the sale of the flight kitchens ahead of the interests of all employees and shareholders," the unions said in a joint statement.

UAL Corp. has said it would consider a range of unilateral cost-cutting moves, including a restructuring of United into at least two airlines, following the collapse of talks with the union.

## 'Hanoi's farmers must adapt to new conditions of market economy'

HANOI, Nov 13: The president of Vietnam's leading farm union said Friday his members must adapt to the new conditions of a free-market economy shortly before a national conference here, reports AFP.

The call for change from Nguyen Van Chinh, President of the Vietnam Farmers Union (VFU), comes after similar remarks were made this week during a conference of Vietnam's workers union, which must also deal with the country's dramatic economic reforms.

The 600 delegates of VFU will begin a conference here Monday in an effort to reform their union of 7.5 million members so that it becomes "truly a large political and social organisation" of farmers, Chinh said, during a press conference. Farmers represent 78 per cent of Vietnam's population.

Since Vietnam began decentralising the agricultural sector in 1986, which led to a rapid growth in production, output in 1992 exceeded 20 million tonnes for the first time in 10 years.

But Chinh said that half of farmers had become poorer, with only 15 per cent living in "comfortable" conditions.

## Ctg Port cargo handling declines by 65,833 MT in four months

From Staff Correspondent

CHITTAGONG, Nov 13: The overall volume of cargo handling by Chittagong Port in the past four months of the current fiscal declined by 65,833 MT compared with the corresponding period of the previous fiscal.

According to reports available from the Chittagong Port, 22,66,148 MT of cargo were handled in the country's major port in July to October of current fiscal, down from the 23,31,981 MT handled in the same period last year.

Port officials said, fall in import cargo led to a slump in overall traffic handling in the past four months.

Between last July and October the port handled 18,52,706 MT of imports

against a total of 19,37,776 MT in the corresponding months of the 92-93 fiscal.

But exports marked an increase in these months of the current fiscal. The port handled 4,13,444 MT of export goods, in July-October of 93-94 fiscal, up from the 3,94,205 MT during the same period of the 92-93 fiscal.

The number of containers handled during the past four months rose to 55,802 from 47,805 of the last corresponding period.

The vessels handled by the port between July and October of the current fiscal totalled 348 up from 333 vessels during the previous corresponding period.

## Kazakhs, Uzbeks launch own currencies tomorrow

MOSCOW, Nov 13: Kazakhstan and Uzbekistan will introduce their own currencies beginning Monday in an effort to stem the flood of outdated roubles into the two countries and bring their economies under control, leaders of the two states said yesterday, reports AFP.

Kazakhstan President Nursultan Nazarbayev said in an address broadcast on national radio and television that the new Kazakh money, the tenge, would be fixed at an initial exchange rate of 500 rouble, or about 45 US cents, for each tenge.

Russian television and news agencies, citing Nazarbayev, said each citizen in the country over 16 would be allowed a one-time exchange of up to 100,000 rouble, or about 95 dollar.

The reports did not make it clear if the rouble would remain in circulation, at least for a

transition period, parallel to the tenge or how citizens with more than 100,000 roubles to change would be able to do so.

Russian television, however, reported that sales of consumer goods had jumped ten fold in recent days as the population stocked up on products as a hedge against potential inflation.

Under an accord between Nazarbayev and Uzbek president Isman Kartimov, Uzbekistan was also to introduce its own "coupon" from Monday, but it was to be fixed initially at a one-to-one parity with the rouble.

The economies of both countries have been rocked since July when Russian withdrew from circulation all pre-1993 rouble banknotes, triggering a flood of the old notes to central Asia and other former Soviet republics that still use the Russian money.

## Japan to import 900,000 tonnes of rice by March

TOKYO, Nov 13: The Japanese government said yesterday it would import 900,000 tonnes of rice by the end of March in addition to already-announced imports of 200,000 tonnes, further threatening the Japanese ban on foreign rice imports, reports AFP.

The food agency said that it would import more rice to cope with the shortage in the country's staple grain hit by poor harvests as a result of an unseasonably cool summer and crop disease.

The announcement came a month before the deadline of the stalled Uruguay Round trade liberalisation talks, whose main obstacles include a Japanese refusal to open its rice

market. The government maintains that the recently-announced imports are emergency and temporary in nature, but speculation is growing that Tokyo is at the final stage of negotiations with the United States to change the rice policy.

Even before making the about-face, Tokyo may be forced to announce more imports to cover the total shortage estimated at two million tonnes or 20 per cent of national consumption.

Some 10,000 farmers demonstrated in Tokyo Wednesday in the largest yet protest against rice market liberalisation. The were joined by 200 MPs from a wide political spectrum.

## Delhi details scheme to tap global capital markets

NEW DELHI, Nov 13: India will allow only companies with a proven track record to raise resources from global capital markets through the issue of equity or convertible bonds, reports Reuters.

In the first formal guidelines for Indian companies tapping international markets, the finance ministry said companies wanting to raise funds overseas should have a three-year track record of good performance, financial or otherwise.

Permission for the issue must be obtained from the finance ministry.

"The FCCBs (Foreign Currency Convertible Bonds) would be denominated in any freely convertible foreign currency and the ordinary shares of an issuing company shall be denominated in Indian rupee," the ministry said in a statement.

A company issuing ordinary shares of bonds will deliver them to a domestic custodian bank who would instruct the overseas depository bank to issue Global Depository Receipts (GDR) against them.

Finance Minister Manmohan Singh, presenting the '92-'93 budget in February, had said Indian companies would be allowed to tap global capital markets by listing their shares overseas.

Ten Indian companies have already raised funds through

issue of equity and convertible bonds in the international capital markets since April 1992.

The statement said on redemption, the cost of acquisition of the shares underlying the receipts will be reckoned as the cost on the date on which the overseas depository bank advises the domestic bank about it.

"The price of the ordinary shares of the issuing company prevailing in the Bombay Stock Exchange or the national stock

## Pak trade deficit rises to \$197m in October

ISLAMABAD, Nov 13: Pakistan's trade deficit rose to a provisional 197 million dollar in October from 132 million dollar in September and compared with 245 million dollar in October 1992, the Federal Bureau of Statistics said, reports Reuters.

Main export items included cotton yarn and fabrics, rice, cotton and leather goods. Main import items included machinery and chemicals.

The July-October deficit fell to a provisional 781 million dollar from 887 million dollar in the same 1992 period. Exports fell to a provisional 2.82 billion from 2.98 billion and imports fell to a provisional 2.04 billion from 2.10 billion dollar.

exchange on the date of the advice of redemption shall be taken as the cost of acquisition of the underlying ordinary shares."

"A global depository receipt may be issued in the negotiable form and may be listed on any international stock exchanges for trading outside India," the ministry said.

The finance ministry said these shares and bonds would be treated as direct foreign investment in the issuing company.

"The aggregate of the foreign investment made either directly or indirectly (through GDRs) shall not exceed 51 per cent of the issued and subscribed capital of the issuing company," the statement said.

There would be no lock-in period for the GDRs issued under the scheme.

The statement said under the provisions of the Indian income tax act, income by way of dividend on shares will be taxed at 10 per cent. The issuing firm will transfer the dividend payments net after deducting tax at source to the overseas depository bank.

"All transactions of trading of the global depository receipts outside India, among non-resident investors, will be free from any liability to income tax in India on capital gains therefrom," it said.



European Community (EC) Vice President and EC Commissioner for Trade Negotiations Leon Brittan speaks during a press conference on the last day of his visit to Seoul Saturday. South Korea agreed to improve protection of intellectual property rights of EC origin products, but Brittan urged Seoul to improve market access. —AFP Photo

## Mexico's challenge ahead to compete with its NAFTA partners

MEXICO CITY, Nov 13: If the North American Free Trade Agreement (NAFTA) passes, Mexico will have to spend tens of billions of dollar to replace pot-holed roads, build railroads, improve communications and overhaul creaky factories so it can compete with its neighbours, reports AP.

American and Canadian business executives say they can get rich selling Mexico the tools and equipment to modernise the nation. "Technology is the name of the game. We in the United States are years ahead of the curve," said Jerry Bilek, an executive with United Pipeline Systems USA, based in Durango, Colo.

The House of Representatives is scheduled to vote Wednesday on NAFTA, which would eliminate most trade barriers between the United States, Canada and Mexico over 15 years.

Bilek was in Mexico to try to generate sales for the company, which makes polyethylene pipes that Mexico could use to replace corroded pipes in oil refineries and plants.

Attention to new pipes increased after gasoline leaked from a pipeline into Guadalajara's sewer system in April 1992, setting off explosions that killed at least 110 people and levelled 20 blocks.

pipelines to scour out corrosion. Demand is great, and he is not concerned whether NAFTA passes, he said.

"Whether NAFTA goes through or not, this country is going to need clean pipes," Sivacos said. Other items Mexico needs are bulldozers, road building machinery, bottling and packaging equipment and parts for its aging telephone system.

Phones often go dead in the middle of conversations and stay dead for weeks. Cellular phones are a necessity, not a luxury, for many business people. One desperate executive put a classified ad in a newspaper reading: "Reward: 500 dollar to the first person to fix my telephone."

Mexico is still far from the "modern culture" Americans and Canadians take for granted. The exchange of computerised information over the

'GATT pact impossible without NAFTA'

ATLANTA, Nov 13: A senior US State Department official said a GATT agreement on world trade would be virtually impossible to achieve if the US Congress rejected the North American Free Trade Agreement, reports Reuters.

Charles Gillespie, Director of the State Department's NAFTA task force, said rejection by US lawmakers would undermine the credibility of US negotiators at the Uruguay Round of GATT talks.

"Let me tell you what the prospects are for the Uruguay Round if Congress says 'no' to NAFTA next week: goose egg, virtually nil," he said at a public conference sponsored by the State Department and the southern centre for international studies.

The Uruguay Round, held under the auspices of the General Agreement on Tariffs and Trade, is aimed at laying the foundation for world commerce

Clinton confident of NAFTA approval

Another report adds: President Clinton yesterday picked up additional support for the NAFTA and said he was close to having enough votes to ensure its approval by Congress.

"We're much closer now," Clinton told reporters in his Oval office following a photo session in which he picked up the support of Representative Ed Paster, an Arizona Democrat.

Clinton, who said on Sunday he needed about 30 additional votes in the House to win a vote on the pact set for next Wednesday, refused to offer a revised figure.

## Notice of RHD Inviting Tender

1. Tender Notice No: 37 (Thirty seven) RHD, 1993-94 dt. 30-10-93/15-7-1400 Bang.
2. Name of work: Supplying of spare parts & repairing fuel pump, engine overhauling, out fittings of MB-50 Motor grader (from Road Division-1) under CHT Workshop Division, Rangamati during the year 1993-94.
3. Estimated cost: Tk. 1,57,334/=
4. Earnest Money: Tk. 3,147/=
5. Time allowed: 45 (Forty five) days from the date of issue of work order.
6. Eligibility of Contractor: From 'A' to 'E' general category of Contractor of RHD according to their financial limits & rule/authorised agent of Manufacturer.
7. Name of Office of availability of documents: Executive Engineer, RHD CHT Workshop Division, Rangamati/Chittagong/Road Division, Rangamati & Sub-Divisional Engineer, RHD CHT Workshop Sub-Division, Rangamati/Khagrachhari up to 20-11-93 Eng/06-8-1400 Bangla.
8. Name of Officer to receive tender bids: Superintending Engineer, RHD Workshop Circle, Chittagong; Superintending Engineer, RHD Road Circle, Rangamati; Executive Engineer, RHD CHT Workshop Division, Rangamati.
9. Last date of receipt of tender: 21-11-93 Eng/07-08-1400 Bangla at 12.00 Noon.
10. Date & time of opening bids: 21-11-93 Eng/07-08-1400 Bangla at 12.05 PM.

The tender will be opened in presence of interested tenderer (if any present) by the concerned authority.

Md. Taufiqul Islam Khan  
Executive Engineer, RHD  
CHT Workshop Division,  
Rangamati

## Government of the People's Republic of Bangladesh Directorate of Secondary and Higher Education Shikha Bhaban, Bangladesh, Dhaka. Tender Notice

Tender No. 5598-P Date: 9.11.93

Sealed Tenders in prescribed forms are invited from the sole agents/distributors/dealers in vehicles for purchase from ready stock 3 (three) units brand new 4 WD petrol Jeeps and one unit 4 doors 15 seater petrol microbus for official use in (1) Female Secondary Education Stipend Project; (2) Renovation and Development of selected Non-Govt. High Schools & (3) Development of 76 Selected Intermediate Colleges with Emphasis on Science Education Projects under the Directorate of Secondary and Higher Education.

The bidding documents for vehicles of each project can be obtained from the undersigned on submission of a written application with a non-refundable bank draft/pay-order of Tk. 750/00 (seven hundred and fifty) only from any scheduled bank in favour of the Project Director of each Project on all working days from 18th November to 21st November, 1993, from the office of the undersigned.

The Tenderers must submit with their bid attested copy of their agency/distributorship/dealership Certificate, Current Income Tax Payment Certificate, Trade Licence, Bank Solvency Certificate from a scheduled bank and at least one year free serving guarantee and earnest money 2% on quoted price in the form of bank draft/pay-order from any scheduled bank in favour of Project Director.

The bids will be received on 22nd November, 1993 upto 2-00 P.M. in the office at the Project Director, Directorate of Secondary and Higher Education, (5th Floor) and Development Section, Ministry of Education (17th Floor of Building No 6, Bangladesh Secretariat) and will be opened on the same date at 2-30 P.M. in presence of the bidders, if any.

The authority is not bound to accept the lowest bid and reserves the right to accept any or reject all bids without assigning any reason whatsoever.