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Major currencies included in travel quota

By Inam Ahmed

From now on, Bangladeshi travellers going abroad will be able to take major currencies, including the British pound sterling, the Deutsch mark and the Japanese yen, against their travel quota.

The Bangladesh Bank (BB) has recently taken the decision in this regard, sources said.

Earlier, Bangladeshi travellers could take upto 2500 US dollars — 300 dollars in cash and the rest in travellers cheque — against their quota of travel expenses annually.

The new decision was taken because the country's reserves in pounds, yen, Deutsch mark and other major currencies kept on rising in the last few months, according to a high BB official.

As the commercial banks could not issue these currencies, they had to export it for encashing. In turn, the banks used to import travellers cheques which are in great demand by the travellers.

"This meant additional costs for the banks," the source said, and added, "Even when the customers needed pounds or yen, they had to be satisfied with dollars only."

Bankers in the country termed the BB decision a pragmatic one as they hope to clear their holdings of pounds, yen and Duetsch marks in a cheaper way by issuing those to the clients.

"The market may even improve a bit for these currencies," one banker commented. "If there is an internal demand for these currencies from the travellers, the rates may go up."

Earlier, the BB had announced that the central bank would deal in US dollars only and the other currencies would be handled by the commercial banks in a bid to avoid any dual rates and to improve interbank transactions.

Poor demand eases tea prices

Poor demand led most tea prices to ease at this week's auction sale held in Chittagong on Tuesday last.

According to a Unity Brokers market report, lower demand led most team prices to ease by taka two to three per kilogram.

Prices for the bolder brokens eased as demand was lower and buyers shared freely. Fannings rates also weakened with selective demand from Pakistan and the internal market.

The major buyers at the sale were Poland, Russia, Pakistan and the local traders.

There were large withdrawals in the fannings category when sellers were often unwilling to meet the market. Total withdrawals stood at 42 per cent of the offerings as against last week's 44 per cent.

In the leaf category, 22,905 packages were offered at the sale, of which, the export buyers accounted for 38 per cent of the sale while the local traders purchased 18 per cent and the remaining 44 per cent was unsold.

In the dust category, 5,156 packages were offered at the auction, of which, the internal traders fetched 49 per cent while the export buyers purchased 17 per cent and 34 per cent was withdrawn.

Following is the category wise market performance report at the sale as prepared by United Brokers:

CTC: All brokens declined between Taka two and three per kg. The larger types sold upto Taka 50.00 and selective lines realised between Taka 50.50 and Taka 52.10 per kg.

Fannings prices followed the price trend of the brokens and eased by Taka 2 per kg and often little more. Poorer types eased between Taka three and four. Internal popular lines sold between Taka 50.00 and Taka 53.10 whilst the off-grades were saleable at between Taka 17.00 and Taka 22.00 per kg.

GREEN TEA: A total of 240 packages were on offer. FYH's sold at Taka 55.00 whilst the YH sold between Taka 50.30 and Taka 50.90 and the Hysons at Taka 53.00 per kg.

DUST: Less internal demand led most prices to decline between Taka two and three per kg. There was large withdrawals towards the close.

The next tea auction sale (no.40) would be held in Chittagong on February 1 and offerings at the sale would comprise of about 25,000 packages of leaf and another 4,000 packages of dust.

The Annual General Meeting of Bangladesh Oxygen Limited (BOL) was held at a local hotel yesterday. It announced a dividend of Tk 3.60 per share (36 p.c.) representing an increase of 16 p.c. over the last year.

Japan, US fail to reach accord on trade ties

WASHINGTON, Jan 26: Japan and The United States failed to reach agreement on improving trade relations in talks which ended here Tuesday but still hope to have an accord before a February US-Japan summit, a US official said, reports AFP.

"Our discussions with our Japanese counterparts today and yesterday have not achieved agreement," said a senior administration official.

But he said further working level discussions were scheduled and more senior level talks are likely before a US-Japan summit in Washington on February 11.

"In each of the areas there are substantial stumbling blocks," the official said.

Japan and the United States were trying to agree on concrete measures to reduce Japan's trade surplus with the United States which could reach 60 billion dollar this year.

The current framework talks cover better US access to the Japanese market in four main areas: Auto parts, supercomputers, medical equipment and insurance.

Singapore plans to back budding entrepreneurs

SINGAPORE, Jan 26: Worried about a lack of entrepreneurial drive among smug Singaporeans, the government plans to finance venturesome businessmen who launch new companies outside this prospects city-state, reports AP.

Trade and Industry Minister Yeo Cheow Tong told Singapore reporters in New Delhi on Tuesday a capital fund of 150 million dollar (93.8 million US dollar) would be set up to held nurture private enterprise.

Yeo is in India with Prime Minister Goh Chok Tong's high-powered delegation of cabinet ministers and business leaders who are seeking closer economic links.

Yeo said the new fund would operate like any other venture capital fund, but with a regional focus and to identify and sustain budding business talent.

Companies that the fund invests in must agree to be used as a training ground for fledgling entrepreneurs. Unsecured, low-cost loans will be provided to enable them to gain stake in the company after three to seven years, Yeo said.

Entrepreneurs already in business but who lack the financial resources to expand outside Singapore may also be supported by the fund.

Creation of the fund was expected after former Prime Minister Lee Kuan Yew complained in 1992 that the country had lost its robust free enterprise spirit.

With an economy dominated by multinational corporations, state utilities, and government-linked companies, Singapore has plenty of competent managers, professionals and technicians, but a seeming shortage of individuals with business vision and a flair for risky business ventures abroad.

Unless a strong external economy is built to go with the domestic one that planners say is nearing the limits of growth, this island republic could falter, Lee said.

Lee, who was prime minister from 1959 to 1991, acknowledged that Singaporeans were "in a trap partly of the government's making."

This was "the most comfortable country in Asia, more comfortable than Japan. The Japanese may have more money but they are not as comfortable. But that is our problem. Too comfortable, no one wants to go abroad."

Chiam See Tong, leader of the weak political opposition, said the ruling People's Action Party stifles the risk-taking necessary for entrepreneurship.

Share prices rise, US dollar falls in Tokyo

TOKYO, Jan 26: Share prices on the Tokyo Stock Exchange rose in moderate trading Wednesday, while the US dollar fell against the Japanese yen, reports AP.

The Nikkei Stock Average of 225 select issues added 489.85 points, or 2.63 per cent, to 19,138.21. On Tuesday, the Nikkei rose 295.12 points, or 1.61 per cent, to close at 18,648.36.

Traders said sentiment remained generally strong, with some sings of optimism that a major package of political reform bills sponsored by the government of Prime Minister Morihiro Hosokawa may be passed in the Parliament in the near future.

The defeat of political reform bills in the upper house of Japan's Parliament on Friday sent the Nikkei average plunging almost five per cent, or 954.19-point plunge, in frenzied trading Monday.

It was the Nikkei's largest single-day dive since a 1,357.61-point fall on Aug 19, 1991.

The Tokyo Stock Price Index of all issues listed on the first section was up 30.94 points, or 2.04 per cent, at 1,550.32. The TOPIX finished up 20.32 points, or 1.36 per cent, to 1,519.38 the day before.

An estimated 360 million shares changed hands on the first section, up from Tuesday's 281 million shares. Advancing issues outnumbered declines 968 to 114, with 93 unchanged.

Russians pouring into India like ants to buy and sell

NEW DELHI, Jan 26: Like ants streaming toward a pot of honey, Russians are pouring into India — not to see the magnificent Taj Mahal, but to buy and sell, reports IPS.

Thrice a week, chartered flights from the ex-Soviet Union disgorge hordes of Russians, Uzbeks and others in New Delhi. The trader-tourists head straight from the airport to the Indian capital's busiest markets.

Russian women can be spotted everywhere — haggling gesticulating, whispering and lugging huge sacks of garments that range from woolens and T-shirts to lingerie and baby clothes.

Moscow Cardiologist Alla Zismanova walks like a local through Pahar Ganj, a crowded, Rabbit Warren of small shops and cheap hotels for budget foreign tourists, stopping every now and then at shops she patronises.

"The friend," she says in broken English, pointing to a turbanned Sikh. "I sell 4,000 to 5,000 pieces a month," says Gulzar Singh, a coal merchant turned woolen garments seller.

He explains that a sweater bought in Ludhiana, one of India's biggest textile centres, for the rupee equivalent of 10 US dollars sold in Tbilisi or Moscow for 30 US dollars.

"I make 1,000 dollars a month now," says the 29-year-old Zismanova, who add that all she could dream of earning from her medical practice is the rouble equivalent of 100 US dollar a month.

Talking through an Afghan interpreter, she explains how lucrative this business is. Asked how he get the enormous piles pait Indian customs. Zismanova replies, "well, sometimes they stop us... but then in the end they let us go."

Hotel staff say their Russian guests have to hire trucks to transport their luggage. "They buy so much that it doesn't fit into the smaller pick-up vans," explains a chatty receptionist.

Consequently, charter flights to destinations in the former Soviet empire are almost always delayed in New Delhi, because airport officials have to wade through *moundi* of excess baggage.

It is impossible to put a figure on this 'underground' trade. The official two-way trade between Russia and India, however, was expected to double to three billion US dollar in 1993.

But the unofficial buying and selling of goods have proved so lucrative shopkeepers who used to sell exclusively to Indians here have switched to catering solely to the Russians.

Every pavement shop on Janpath, on the southern side of Connaught place in the heart of the capital has put one or more selsmen through a crash course in Russian *"previt, previt,"* they call out to Russian shoppers walking pait.

Gulzar Singh shows off a visiting card that has his name and address in Russian on one side, and in Hindi on the reverse.

Most Russian shoppers, arrive with at least 2,000 US dollar. They stay a week or less, in and around Connaught place, spending as little as possible on themselves, says Anil Kumar, owner of the budget-priced metropolitan hotel in the city centre. "They eat anything and are happiest munching bread and boiled eggs."

But many of the visitors are also hawking wares such as zenith camera, perfumes, cigarettes, and even vodka.

A common sight in Janpath are Russians with half a dozen watches on their hand, animatedly negotiating sales with gaggle of passers-by.

Some have even turned hotel rooms into shops, where they do brisk business to pay for what they buy. The government-run Kanishka hotel, which charges a room tariff of roughly 30 US dollar a night, is a favourite among the Russian merchants.

Local hoteliers say some of the Russian visitors also sell sex. Because of their need for more cash. Russian women are said to be involved in prostitution.

A svelte Russian women calling herself *swetalaya* was recently soliciting in a small restaurant off Janpath. She said matter-of-factly: "no jobs for our men there(at home). No bread there so we have come to India".

IMF bungles policy towards Russia: US economist

PARIS, Jan 26: The International Monetary Fund (IMF) has bungled its policy towards Russia and the rouble, Jeffrey Sachs, who resigned as an adviser to Russian President Boris Yeltsin, said here yesterday, reports AFP.

Sachs, A US economist, told the Tribune-Desfosses newspaper here," I reproach the IMF for having been completely wrong in the way it has managed help for Russian reforms.

"Let us be clear. I favour the principle of making finance conditional on the implementation of reforms. But that it no way justifies the imposition of unrealistic programmes."

Sachs had earlier published an open letter in the New York Times newspaper on Sunday calling on IMF Director General Michel Camdessus to resign.

He said in the remarks published here that the IMF should have provided help for the launch of reforms which concentrated on a single objective: "The reduction of the budget deficit."

The purpose should have been to avert inflation and the devaluation of the rouble.

"If the IMF had pressed for rapid establishment of a fund to stabilise the rouble it might have avoided the fall of the currency", he said.

The rouble fell heavily last week in reaction to the resignation of key reforming minister Yegor Gaidar.

Sachs resigned on Friday, together with Anders Ailund of Sweden as an economic adviser to Yeltsin following the departure of two reformist ministers from the new Russian administration: Gaidar who was vice prime minister and finance minister Boris Fyodorov.

Sachs and Ailund had said that the policy objectives announced by Prime Minister Viktor Chernomyrdin ran counter to their views and might worsen the situation by relaunching inflation in Russia which was already one of the highest in the world.

In Moscow on Monday the new economist minister Alexander Shokin had told correspondents that traditional criteria used by the IMF were inappropriate to the situation in Russia.

He said that problems relating to falling production and unemployment would have to be included in negotiations with the IMF and the Group of Seven (G7) leading industrial countries.

$ 8.25 b US budget deficit in Dec

WASHINGTON, Jan 26: The US government budget deficit was 8.25 billion dollars in December, down from 38.9 billion dollars for the same period in 1992, the Treasury Department announced, reports AFP.

Experts had been predicting the deficit would be about 12 billion dollars.

Revenues totalled 125.42 billion dollars against 133.67 billion in expenditures.

Interest on the federal debt was 52.71 billion dollars in December, about 40 per cent of total spending.

Customs receipts fell 104 million dollars to 158 billion dollars in December, which indicates that imports were also down slightly.

Accor to run Five Star hotel in Yangon

BANGKOK, Jan 26: The French hotel services conglomerate Accor signed a management agreement yesterday to run the first Five-Star international chain hotel in Myanmar, reports AFP.

Accor, which operates the Sofitel, Novotel and Ibis hotel chains, signed with Thailand's newly-formed LP Holding Company which is to build the hotel Sofitel Yangon near the Sule Pagoda.

The choice site was made available by the Myanmar government on a 30-year lease. The 270-room hotel is expected to open in 1996, officials said.

Myo Lwin, Deputy Director General of Myanmar hotels and Tourism Ministry, who witnessed the signing said the country needed to improve domestic airline, hotel and restaurant services in order to attract tourist dollars.

Global trade expands by 3 pc in '93

GENEVA, Jan 26: Global trade expanded by less than three per cent last year, far less than the projected 4.5 per cent, economists at the GATT world trade body said, reports Reuter.

But recent signs of recovery in major West European economies, coupled with the successful conclusion of the Uruguay Round, give "grounds for optimism" for a recovery in 1994, the General Agreement on Tariff and Trade (GATT) said.

The figures and general prognosis by staff economists were contained in a speech to GATT's member states delivered by Indian trade ambassador Balkrishan Zutshi. Zutshi, a respected negotiator who often speaks on behalf of developing countries, serves as Chairman of the annual session.

The annual meeting, which opened on Tuesday and will probably finish on Wednesday, will review GATT's activities including rulings on tough bilateral trade rows during 1993.

Trade delegates will also look ahead to a ministerial meeting in Marrakesh in April to sign the Uruguay Round accord. The agreement aims to break down barriers in farm and industrial goods as well as service industries from 1995.

In volume terms, world trade grew by less than 3.0 per cent in 1993, down from 4.0 per cent in 1992, GATT economists said.

The GATT's previous estimate for 1993, released last March by the then Director-General Arthur Dunkel, forecast trade growth of 4.5 per cent a year.

World output growth was up slightly last year to just above two per cent, according to the latest GATT figures.

"Both the figures for world trade and output growth remained well below the averages for the previous decade, confirming that the period of slow growth for the world economy, which began in 1989, continued in 1993," Zutshi said in his speech.

"In spite of the slower pace of world trade and economic activity in 1993, there are ground for optimism regarding a recovery in 1994," he added in the text obtained by Reuter.

Signs of recovery have become apparent in major Western European economies during the final quarter of 1993, he said.

The successful conclusion of the Uruguay Round last month, after seven years of negotiations, should "restore consumer and investor confidence".

'Asian states can achieve economic miracles'

KUALA LUMPUR, Jan 26: Malaysia's Deputy Prime Minister Anwar Ibrahim said today Asian countries could achieve economic miracles and match the performance of the eight high-performing economies in east Asia, reports Bernama.

If other parts of Asia are able to achieve political stability, to invest more in education than in defence, to release initiative and entrepreneurship rather than to stifle them, then those economic miracles in time will also be theirs, he said.

He added that a World Bank study of the eight high-performing economies concluded that there was nothing miraculous about the east Asian economic miracles.

Masahiro Nakahira, outgoing General Manager (2nd R) of Nissho Iwai Corporation being presented with a Silver Plate by Sammy Sasaki (2nd L), Resident Manager of Sonargaon Pan Pacific Hotel as a token of remembrance. The new General Manager Yutaka Narutomi (L) of Nissho Iwai and Tanveer Imam, Director of Sales and Marketing of the hotel also seen in the picture.

CFA devaluation may end era of French role in Africa

PARIS, Jan 26: If money talks, the terse communique about devaluation spoke volumes. Between the lines, the message was clear: France's intricate relationship with Africa would never be the same, reports AP.

Harsh fiscal medicine that France's former colonies are now swallowing is likely to be coupled with bitterness toward Paris and reduction of French cultural and economic influence. The affected nations may look elsewhere for new partners, ranging from the United States to Nigeria.

It could be a dramatic change from the past three decades of African independence, a period in which France nurtured an unmatched web of links with the continent.

The system fostered political stability and kept inflation low, but it also bred corruption, economic passivity and complacency among authoritarian rulers rarely challenged by Paris. To critics, France was more concerned with retaining influence than inspiring political or economic reforms.

A cornerstone of the relationship was the use of a common, French-backed currency, the CFA franc. On January 12, under pressure from France and world financial institutions, 13 African leaders reluctantly agreed to halve the value of their currency.

It means their exports will be cheaper on world markets, but it also means soaring prices for imports, including fuel, rice and cooking oil. Public anger over the price hikes could fuel unrest.

While the Africans wrestle with economic dilemmas, France is questioning its own future in one of the few regions of the world where, until now, its influence has remained strong.

The conservative government, in public, says the French commitment will remain intact. Others aren't so sure.

"What French politician today fights on behalf of Africa?" asked the respected newspaper Le Monde last week. "What businessman focuses on 'the continent of catastrophes?' With rare exceptions, what diplomat with a dossier on Africa isn't waiting impatiently for a new assignment?"

Albert Bourgi and Christian Casteran, authors of a book on Africa, wrote in the Paris daily Liberation that the devaluation "emphatically marks the end of an epoch."

"The wrenching reforms are likely to go beyond simple economic choices and signal a loss of French influence," they wrote.

Bourgi in a separate commentary in the weekly magazine Jeune Afrique, said the African leaders "were summoned to Dakar not to negotiate, but to be presented with a fait accompli."

One likely consequence is that some of the African leaders may no longer automatically side with France in international forums or give preferential treatment to French firms.

Oil producing Gabon and Congo, for example, might reconsider arrangements that have provided more than 40 per cent of France's petroleum needs. "Even before the devaluation, Congo angered France's state-owned Elf Aquitaine oil company by selling drilling rights of a new field to the U.S company Occidental Petroleum.

Gabon's L'Union newspaper, which generally reflects the views of President's Omar Bongo, assailed France.

Ivory Coast officials, in contrast, defended France.

"It's not the case that the marriage with France has failed," said Prime Minister Duncan Konan Kablan. "It has been a very fruitful cooperation.... A marriage of convenience that should continue for the mutual benefit of both parties."