

Major projects undertaken to revamp jute market: JS told

Some major projects have been undertaken to revamp jute market both at home and abroad through diversification of jute-products, including manufacture of high quality cloth from the once-famous golden fibre, reports UNB.

Jute Minister Brig (Rtd) A S M Hannan Shah told parliament yesterday that two projects were already under implementation to increase the use of jute in the country and also to boost its export.

Replying to a question from Ebadur Rahman Chowdhury (JP), he said jute fabrics and jute-jute were now being produced in Karnaphuli Jute Mills and Adamjee Jute Mills under the "Development of Decorative Fabrics and" "Development of Geo-Jute" projects, funded by the European Economic Community.

Hannan Shah said under the "Development of Decorative Fabrics" project, fabrics were being produced from jute yarn.

Shopping bags, school bags, sandals, keds, briefcases, bed-sheets, disposable garbage bags are being made of such fabrics, which have already created demands in local markets. EEC has provided Tk four crore to implement the project.

A massive project involving Tk 18.43 crore has also been taken up to produce high quality fabrics from jute yarn to be used for garments. The project has been sent to EEC for consideration, he informed the House.

Meanwhile, to increase the use of Geo-Jute, the government through a gazette notification has made its use compulsory in the country in certain works. Geo-Jute will be used as packaging materials and in stopping land erosion in roads and embankments and preventing other soil erosions.

The unit at the Adamjee Jute Mills is producing 10,000 tons of Geo-Jute annually.

Local scientists have developed

method from jute for use in paper mills. At present, 25 metric tons of mound is being produced every day and a target has been set to raise the output to 25,000 metric tons annually, which the minister said will further increase the use of jute inside the country.

Banning production of polythene bags is also under consideration of the government aiming to increase the use of jute in the country, he added.

Replying to another question from Abdul Awal Mia (AL), the minister said country's jute mills consumed 60.58 per cent of the total jute produced annually while 31.09 per cent is being exported. At present, domestic consumption of jute is 33 lakh bales, he told Khan Tipu Sultan (AL).

He told another questioner that the country exported 15,91,692 bales of raw jute worth Tk 280.71 crore in 1993.

Replying to a supplement-

tary from Ataur Rahman, the jute minister said export of raw jute was decreasing as many countries closed down their jute mills in the wake of wage hike.

The government has put emphasis on exporting jute products rather than raw jute in view of the changed situation.

Replying to another question from Prof Rafiqul Islam, also of Awami League, the minister said the nationalised jute mills earned Tk 249.74 crore 88 thousand and spent Tk 358.68 crore 58 thousand (without interest) during the first six months of the current fiscal year. It apparently shows a loss of over Tk 108 crore.

During the same period of last year, the mills incurred a loss of over Tk 135 crore. In the first six months of 1992-93 fiscal year, the state-owned jute mills earned Tk 294.65 crore 53 thousand and spent Tk 430.60 crore 9 thousand.

Pubali Bank cuts lending rates again

Pubali Bank has again reduced its lending rates, says a press release.

This has been done to encourage economic activities in the country.

The lending rate has been reduced to 14.5 per cent in large and medium scale industries (term loan), working capital, other commercial lendings, urban housing, jute trading and other lendings.

For Small and Cottage Industries and working capital for Tea Corp Production and processing the rate of interest is 13 per cent.

For Exports Financing, the rate is 10 per cent.

Tk 5 cr allocated for Moulvibazar flood protection project

MOULVIBAZAR, Mar 3: A total of Tk 5 crore has been allocated during the current fiscal year for implementing the schemes under Secondary Town Integrated Flood Protection Project in the district, reports UNB.

The scheme includes construction and re-sectioning of 4.91 kilometre long embankment on the right bank of river Monu and boulder revetment on both the sides of the embankment covering an area of 1.30 kilometres.

The work on schemes is progressing fast and is expected to be completed by April next, official sources said.

BIBM training course ends

A training course on banking laws and practices concluded on Wednesday, says a press release.

The course was organised by the Bangladesh Institute of Bank Management (BIBM). The Director-General AHM Nurul Islam Choudhury presided over the function and gave away certificates.

A total of 24 officers from different banks participated in the course.

Nurul Islam, BIBM faculty member, was the main coordinator of the course.

India decides not to approach IMF for EFF loan

NEW DELHI, Mar 3: India has decided not to approach the International Monetary Fund (IMF) for an Extended Financing Facility (EFF) loan in 1994-95, following improvement in its foreign exchange reserves, reports Xinhua.

Talking to newsmen here on Tuesday, Finance Secretary Montek Singh Ahluwalia said that at the end of 1993-94, the foreign exchange reserves touched the record of 13 billion US dollars and foodgrain stock reached 23 million tonnes.

Therefore the government was in a comfortable position to deal with economic problems, he said.

He said that the external debt is now growing more slowly and only increased by 300 million US dollars in the first half of 1993-94, while in 1990-91, the external debt increased by eight billion US dollars.

Demand strengthens tea prices at auction

CHITTAGONG, Mar 3: The weekly tea sale held here yesterday was marked by stronger demand for different grades of teas with prices moving up further quite considerably, market sources said, reports BSS.

Pakistan and internal buyers showed keen interest for well made broken and clean liquoring fannings, but buyers for Poland and Russia operated selectively.

Bold and large broken met with a selective demand and generally sold at lower levels following quality. All others were a much stronger market, particularly the neater varieties which were substantially dearer often by Tk 2/- to Tk 3/- per kg above last levels.

A limited quantity of popular types also sold well at higher levels between Tk 53/-50 and Tk 55/80 per kg. There was a much stronger demand for clean primary fannings which appreciated by Tk 2/- Tk 3/- per kg. Medium fannings were also a dearer market appreciating up to Tk 2/- per kg while all others were a irregularly lower. A small weight of popular types

ECNEC approves 5 projects worth Tk 286.56 cr

The Executive Committee of National Economic Council (ECNEC) at its meeting held in Dhaka Wednesday approved five projects which will entail a total cost of Taka 286.56 crore including Taka 109.39 crore in foreign exchange, reports BSS.

The meeting attended by LGRD, Communications, Commerce and Planning Ministers and other high officials of the concerned ministries was chaired by Finance Minister M Saifur Rahman.

BRDB gives Tk 40 cr loans

Bangladesh Rural Development Board (BRDB) has distributed a loan of Taka 40 crore 27 lakh among one lakh, 11 thousand 435 disadvantage people and assetless women for their socio-economic development, reports BSS.

According to a BRDB press release issued in the city yesterday, this loan was distributed in 139 thanas under 17 districts during the seven months of the current fiscal year.

The Board has already distributed a loan of Taka 125 crore 30 lakh 81 thousand among 2 lakh 76 thousand 922 members belonging to 13 thousand 81 societies engaged in various production oriented as well as income generation activities.

95 per cent of this loan has been realised, the press release said.

The loan money was mostly utilised in raising poultry farms, development of pisciculture, promotion of small business, purchasing cows and different kinds of vans, and preparing vegetable gardens.

New budget to result in rapid industrialisation: Manmohan

NEW DELHI, March 3: Indian Finance Minister Manmohan Singh is confident his latest budget, criticised as a politician's package, will result in rapid industrialisation and nudge the economy onto a path of high growth, reports AFP.

He also discounts fears of an inflationary spiral stemming from the fiscal deficit of 18 billion dollars in the 1994-95 budget, which some economists saw as an alarming signal that government finances had gone haywire.

There are some who say we are assuming growth, 61-year-old Singh told foreign correspondents here late Tuesday, a day after delivering his fourth fiscal package.

"We are not assuming, we are planning for growth," declared the architect of India's 30-month-old liberalisation campaign.

Singh, asserting he had taken a "well thought out risk"

that would expand the economy, said he was confident growth would result. He also said that Indian industry would become a more global competitor, the fiscal deficit would not overshoot, and prices would hold.

He ruled out further hikes in administered food prices and promised to return to his belt-tightening ways once the economy took off.

Singh's budget for the fiscal year to March 31, 1995 was tailored to give strong stimulus to industry, whose sluggishness has kept overall economic growth stagnant at four per cent for two years.

He gave hefty tax and tariff concessions to businesses, liberalised access to foreign exchange and doled out incentives for exporters.

Lower tax rates would prompt an industrial recovery, push down production costs, stimulate demand and result in more revenue, the minister

said. He boosted government spending on key infrastructure industries such as telecommunications, social sectors such as education, health and rural development and left subsidies untouched.

In the process, Singh was left holding a fiscal deficit equivalent to six per cent of gross domestic product (GDP), and facing charges of financial profligacy from economists and the press.

The Pioneer daily said the budget may have made for good politics by pleasing all, but added that it amounted to bad economics.

Singh had planned to keep the deficit down to 4.7 per cent of GDP in 1993-94, but increased spending and falling revenues saw it run up to 7.3 per cent, and there was a danger it could overshoot again, the newspaper commented.



M A Samad, Chairman and Managing Director, Bangladesh General Insurance Co Ltd, seen receiving Top Ten Companies Award 1992-93 from Prime Minister Begum Khaleda Zia in the city on Wednesday.

Asian stock markets close lower

HONG KONG, Mar 3: Asian stock markets closed mostly lower Thursday, with both share prices and the US dollar falling in Tokyo because of renewed trade tension between Japan and the United States.

Tokyo's 225-issue Nikkei Stock Average fell 138.91 points, or 0.70 per cent, closing at 19,605.86. On Wednesday, the index lost 471.85 points, or 2.33 per cent.

The Tokyo Stock Price Index of all issues listed on the first section fell 13.61 points, or 0.84 per cent, to 1,602.33.

The dollar, already in a three-week downward trend, shed another 0.31 yen, finishing at 103.92 yen.

In Hong Kong, share prices closed lower for the third straight day.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 75.40 points, or 0.8 per cent, closing at 9,802.03. On Wednesday, the index dropped 270 points.

Brokers said news of a corporate tax cut in Wednesday's Hong Kong government budget failed to encourage investors, who were more concerned

about the possibility of an interest rate hike.

Wellington: New Zealand share prices closed lower because of volatility in overseas markets. The NZSE-40 Capital Index fell 9.60 points to 2,218.05.

Taipei: Share prices rebounded in thin trading following recent slides. The market's Weighted Index rose 28.37 points to 5,457.74 after Wednesday's 23-point drop.

Manila: Manila share prices closed lower in choppy trading after early gains were eroded by profit-taking. The Manila composite index of 31 selected issues fell 1.7 points to 2,698.05 following Wednesday's 56-point slump.

Sydney: Australian share prices traded quietly in a narrow band before closing marginally lower. The All Ordinaries index of share prices closed at 2,151.4, down 2.7 points.

Seoul: Share prices closed lower for the third straight day on continued bearishness. The Korea Composite Stock Price Index fell 4.50 points to 902.16.

Kuala Lumpur: Malaysian share prices closed lower across the board after early gains were erased by profit-taking. The Composite Index fell 15.67 points to 1,070.58 in thin trading.

Singapore: Share prices closed lower in choppy trading. The 30-share Straits Times Industrials Index fell 41.94 points to 2,242.55.

Bangkok: Thai share prices closed slightly higher on bargain-hunting. The Stock Exchange of Thailand Index rose 1.26 points to 1,340.38.

Jakarta: The stock exchange's Composite Index fell 10.102 points, closing at 530.369.

SEOUL, Mar 3: South Korea is expected to become the world's fifth largest auto maker this year by producing 2.4 million vehicles, up 17 per cent from a year ago, industry officials said Thursday, reports AP.

ROK to raise auto production

Any system, whether command or market economy, does not give full benefits unless it is put into operation in a full cyclic form. Bangladesh, after years of hesitation, decided to go for market economy from the middle of the last decade but it seems to be taking too time to finish the required cycles of reforms towards it. While other countries, including its neighbours, are making reforms within a year, Bangladesh is taking, in some cases, half-a-decade. For example, in the case of privatisation Pakistan moved much faster and was able to hand over most of the state-owned enterprises to the private sector within a span of two-year time. India - once the most pronounced supporter of an economy with a socialist-leaning in this area - has done so many things within the last two years towards converting its economy into a market economy which even can not be believed by the most ardent advocates for such an economy

in that country. Bangladesh lagged behind now in almost every aspect of reforms towards a competitive private sector-based economy. The result is that it is increasingly falling to a receiving end compared to its neighbours in trade and other bargaining matters. Now, direct foreign investment is coming up in a much larger way in India and Pakistan but investors consider Bangladesh as the left-out receiver. Indian goods, because of proximity and cost advantage in production, are having a better sale in Bangladesh market, as Bangladesh is constantly underlining over what to do to correct the adverse balance of payments with the former.

There is no simple way of having a balanced balance of payment with India, so to say, with any country in the region without putting our economy first on a cost efficient basis. Recently, we made our on-going reform programmes controversial by mixing them with

election results. The IMF and the World Bank were chosen to be the main whipping boys in this case. When elections are won or lost, that might be, so for many other reasons apart from the so-called adverse fallout of the reform programmes. The most vivid failure of our leadership, and unfortunate too, is that it fails to push through the reform programmes smoothly. If there is no progress in the reform programme, will this nation remain any better? It is very easy to say that reform programmes have been unpopular with the receiving people, but what else can be done without carrying them out forward for putting this economy on a competitive basis? Everywhere there is resistance - from importers to the tax-collectors - to reforms. Why? Simply because they are now losing their protected advantages. Bangladesh has a very small economy in the community of nations, there is none exploit us unless we ourselves allow us to be exploited through our ignorance and idleness. A group of people are found to be clamouring for a high protective umbrella for their industries and business. But what costs such clamour? A much higher price level for the domestic consumers. Consumers' interests were found to be ignored in this country time and again simply because they were not organised.

Again another group is there who clamours, mostly out of ignorance, by saying that estate enterprises are being sold at unbelievably low price - what they call water price. But do they know that Bangladesh govt is paying yearly Taka 2000 crore as subsidy just to keep the state-owned enterprises going? The subsidy being provided to the losing state enterprises is tax payers' money. Some people become annoyed simply because the govt lowers interest rate on its saving certificates -

Abu Ahmed

Guest Columnist

Half-done programmes will only prolong our woes

the financial instruments with which middle income earners save for years. But do they know that a rate of interest between 12 per cent and 15 per cent is simply unbelievable in an economy where inflation rate is as much low as the half of the double digits? In every department where financial reforms and disciplines are knocked out there arises misunderstanding. Banks are now tightly controlling their credit-offer and management in a bid to do better business in a competitive framework, that too was blamed to be a part of an externally dictated reform programme.

Our ignorance and lack of foresightedness prevented us from doing many good things in the past. We use to keep a big govt structure for years which eats up three-fourth of tax and other incomes of the latter. That put us to depend on the external donor agencies to supply us with the eighty per cent of the development expenditures. Now when external aid through official channels is falling rapidly, this nation has no alternative but to accumulate its own resources for a sustainable development effort. For this, we need to cut the size of the govt by at least one-third which will help save an additional Taka 3000 crore annually. But this is an unpopular work. In spite of this, someone has to do the work. The IMF or the World Bank will not come to perform the work practically. It is our govt which must do the job to benefit the country in the long run by prevailing on the misconception and self-interest-driven opposition.

A govt can reserve credit from the true-lovers of this country when it can put the framework of reforms together which ultimately will make the whole nation hardworking. At present we are used to do half-work but demand full pay policy. In the process, we have little received and have made the whole economy idle-prone. Reforms programme will drive away this aspect of our nation.

Need for crops diversification stressed

MAGURA, Mar 3: Agriculture and Food Control Minister Maj General (Rtd) M Majidul Haq stressed the need for diversification of crops, reports UNB.

It is possible to annually save Tk about 900 crore if the country can attain self-sufficiency in producing high yielding variety oil seeds, pulses and onion, the minister while addressing a discussion meeting on "Selection of Crop Variety at Ramnagarh of the district on February 26."

He called upon the farmers to cultivate high yielding variety crops, including oil seeds, pulses and onion, maize and wheat.

Organised by Employment and Technology Development Agency (ETDA), the meeting, first of its kind in south and south western zone, was presided over by ETDA president Badrul Islam Siddique.

The meeting was addressed, among others, by LGED Executive Engineer Momin Khan, Munshi Nazrul Islam and Fazul Haque.



Custom officials yesterday detained a person from the Zia International Airport while carrying cash US dollars, traveller cheques, international money-order, pay order and bank draft worth Tk 1,49,03,881. Picture shows the detainee (cross marked) along with dollars and cheques.

— Star photo

US, Japan to resume trade talks soon

TOKYO, Mar 3: Under Secretary of State Joan Spero will visit Tokyo next week to resume stalled trade talks between Japan and the United States. Japanese foreign ministry sources were quoted Wednesday as saying, reports AFP.

Spero, the State Department's top official for economic affairs, is expected to hold talks with key Japanese trade negotiators including Deputy Foreign Minister Koichiro Matsuura. Kyodo News Service and Jiji Press quoted the sources as saying.

Tension has mounted since President Bill Clinton and Prime Minister Morihiro Hosokawa failed to reach an agreement on so-called framework talks aimed at slashing Japan's swollen trade surplus with the United States. But he said Japan should not accept a numerical target to gauge imports, calling it unacceptable on principle.