

## Finished goods Proposed cut in import duty worries BISF

Budgetary proposals for reducing import duty on finished goods are likely to hamper the production of Bangladesh Insulator and Sanitaryware Factory (BISF), reports UNB.

Officials of the factory told a visiting group of newsmen Tuesday that BISF's production of sanitaryware, tiles and insulators would fall drastically if the import duty on these items is reduced.

"Reduction of duty on imported raw materials has also been proposed but that is insignificant and negligible. Some sort of protection is needed to save the factory from an uneven competition with foreign companies," said BISF Managing Director A E M Ishaq.

Set up in 1981 as an import substitute enterprise at Buxnagar in Mirpur, the factory turned into a profitable concern in 1985-86. It made a profit of Tk 1.24 million in 1985-86, Tk 34.73 million in 1992-93 and Tk 47.53 in the first 11 months of the current fiscal year.

BISF, a unit of Bangladesh Chemical Industries Corporation (BCIC), has so far contributed a total of Tk 293.18 million, including Tk 55 million up to May in 1993-94, to the government exchequer. It also exported its products to Japan, Indonesia, Nepal and Russia.

It is one of the state-owned enterprises slated for privatisation.

Sixty per cent of raw materials used by BISF is locally available while the rest 40 per cent is imported from India, China, Japan, Germany and UK.

The factory, with the production capacity of 4,000 metric tons a year, produces 2,400 metric tons of sanitaryware against the domestic demand of 3,300 metric tons.

BISF could not use its total production capacity due to low domestic demand, which is partially met by high quality imported sanitaryware, Ishaq said.

He said introduction of free market economy allowed import of sanitaryware which has flooded the local market, pushing BISF into an uneven competition with imported goods.

"It has posed a threat to the marketing of BISF products... it may turn the factory into a losing concern," the BISF Managing Director said.

## Kidnapped Mexican banker freed

MEXICO CITY, June 29: A leading Mexican banker and multimillionaire, abducted more than three months ago, was released by his kidnappers late Tuesday after his family paid a cash ransom of around 30 million dollar, reports AP.

Alfredo Harp Helu, 50, President and a major stockholder in the banking-financial firm of Banamex-Accival, was freed in the Xochimilco lake area on the south-side of the capital.

"I don't have any details, but, yes, he has been freed and he is safe and sound," a law enforcement official said on condition of anonymity. A news release from the Mexico City Attorney General's Office confirmed the release.

Harp Helu was kidnapped in the morning of March 14, while being driven to work. The kidnappers have not been identified.

He is the latest of dozens of businessmen abducted for ransom in Mexico during the past year.

## Bentsen calls for stronger dollar

WASHINGTON, June 29: With the Greenback still under pressure, Treasury Secretary Lloyd Bentsen called Tuesday for a stronger dollar and rejected suggestions Washington was seeking a weaker dollar to boost exports, reports AFP.

"We believe a stronger dollar is better for our economy and better for the world's economy," Bentsen said in remarks prepared for a New York speech, in his strongest comments since the dollar's recent tumble.

"I know there are people who think we have some strategy in Washington of driving down the dollar or using the dollar as some kind of bargaining chip," he said.

"Let me say clearly -- and I speak for the entire administration -- this is not the case. The dollar is not a tool of our trade policy."

## USAID to provide \$2.35m for rural electrification

The United States Agency for International Development (USAID) will provide an additional grant of 2.35 million dollars to Bangladesh for supporting its rural electrification programme, says a USIS press release.

An agreement to this effect was signed by the Additional Secretary of Economic Relations Division (ERD) Dr Saadat Hussain and the USAID Director Richard M Brown in Dhaka yesterday.

The fund brings the total US contribution for the Rural Electrification Programme (REP) since 1978 to 179 million dollars.

The Rural Electrification Board (REB) will implement the programme with technical assistance from the US National Rural Electric Cooperative Association (NRECA).

After the signing ceremony, Brown said the US is proud to be a contributor to the development of rural electrification in Bangladesh.

He said Rural electrification has had a direct and important effect on poverty alleviation, employment generation, agricultural productivity and expansion of industrial and commercial enterprises nationwide.

The additional funds will be used to strengthen the management, maintenance capacity, and financial viability of the Rural Electrification Board and its associated Pali Biddut Samities (rural electrification cooperatives) so that the Bangladesh rural electrification programme will be independently sustainable in the near future.



Saadat Husain, Additional Secretary, Economic Relations Division (ERD), Ministry of Finance, and Richard M Brown, Director, United States Agency for International Development (USAID) signed an agreement in Dhaka yesterday through which USAID will provide an additional 2.35 million dollar to support the Bangladesh Rural Electrification programme.

## ROK police storm work sites to break up illegal strikes

SEOUL, June 29: Thousands of police, using bulldozers and tear gas, stormed two work sites early Wednesday in a show of force against illegal strikes by militant workers, reports AP.

In the past week, police have raided several work sites to break up illegal strikes. About 5,000 riot police using bulldozers and other heavy construction equipment broke open walls and barricades at Kumho and Co. in Kwangju, 250 kilometers (156 miles) south of Seoul, to disperse 1,500 striking workers.

The Kumho workers took control of the country's second-largest tire plant last week to press their demand for higher pay and better working conditions.

Authorities ruled the strike illegal and ordered police to move in.

Television footage showed columns of black smoke billowing over the sprawling plant as workers set fire to tires stacked as barricades. Police fired volleys of tear gas to remove workers fighting with rocks.

At least nine workers were injured and about 80 union leaders were arrested, police said.

In Taegu, 210 kilometers (125 miles) southeast of Seoul, about 3,000 police in full riot gear stormed Daewoo Automotive Components Ltd, an auto parts factory, and removed about 300 striking workers. No injuries or arrests were reported in the clash.

The current wave of labour disputes began last week when about 4,500 national railroad workers struck to protest the arrest of 413 colleagues organizing a nationwide strike.

The rail walkout and subsequent sympathy strike by 8,500 subway workers in Seoul and Pusan, the nation's second largest city 328 kilometers (205 miles) to the southeast, paralyzed the nation's transportation system.

By Wednesday, however, train service had almost returned to normal. The subway walkout also had eased considerably, with most of the striking engineers and others reporting to work.

Railroad workers are not allowed to strike because they are government employees.

## Caldera imposes price controls

CARACAS, June 29: President Rafael Caldera staked his second presidency on defusing Venezuela's financial crisis by suspending constitutional guarantees and imposing currency and price controls, reports AP.

It was the fourth time in five years Venezuelan leaders have put a hold on constitutional rights while trying to stabilize social or economic conditions.

Caldera, 78, who first served as president during better economic times from 1969-1974, returned to govern February 2 with the economy in relatively sorry shape.

Despite its wealth of oil, market prices for crude have slid since the 1970's and the cost of Venezuela's social safety net and subsidized food, transport and education had surged beyond the government's ability to pay.

The country is saddled with a six billion dollar budget deficit, and has seen its hard currency reserves dwindle to just over nine billion dollars.

Efforts to phase out some subsidies by the last government of President Carlos Andres Perez and caretaker leader Ramon Velasquez, in line with belt-tightening policies pushed by the International Monetary Fund, were met on the streets with rioting, costing dozens of lives.

Seven banks have failed since the January 14 demise of Banco Latino - the country's biggest savings institution - costing the government 4.3 billion dollars in bailout funds to date. Congress has approved another 2.3 billion dollars to pay back depositors.

And the bolivar has fallen 55 per cent against the dollar since January, while inflation has continued to soar and jittery businesses have jacked up prices.

The economic turmoil has been accompanied by growing unrest in cities around Venezuela, sparking fears of broad political instability and raising the specter of the February 1989 riots that left more than 300 dead.

And added to those worries have come rumors that populist army commander Hugo Chavez, who led a failed February 2, 1992 coup attempt against Perez, might try to topple Caldera, who granted him amnesty, releasing him from the army and jail.

So Caldera moved to regain control Monday, announcing the temporary suspension of constitutional guarantees.

Price-freezing on about 100 goods and services, however, will not come into effect until a single bolivar-dollar exchange rate has been fixed, said Alberto Poletto, the Minister for Industry, commerce and foreign trade.

## 'Slumping dollar means cheaper oil'

LONDON, June 29: A slumping dollar means cheaper oil on the dollar-denominated world oil market but a decline in the fortunes of the US currency is unlikely to have any short-term impact on oil demand, industry analysts say, reports Reuters.

The dollar hit successive post-World-War-Two global lows against the yen on Monday and also is weak against the mark, although showing a steadier tone on Tuesday.

"From what I've seen in the past, currency movements, are only likely to make an impact over the medium to long term," said Kleinwort Benson's senior oil analyst, Mehdi Varzi.

Crude oil prices have risen almost 30 per cent since the end of the first quarter of 1994 when prices for world benchmark Brent Blend were languishing at five-year lows around 13 a barrel.

But valued against the yen, oil prices have risen half as much, by 14 per cent, and against the mark by 17 per cent.

Analysts say the recent rise in oil prices since the turn of the year wipes out the impact of weaker dollar on demand outside the United States.

"Currency weakness only offsets a small proportion of the rise in oil prices over recent months," said Jeremy Hudson of Lehman Brothers Securities.

Oil traders will probably take the opportunity to increase profits on refined products rather than cut prices, which could have boosted demand, industry analysts say.

"The dollar fall probably will not have any great effect in the short term, because companies will be grateful for some strength on marketing mar-

## Oil prices rise

LONDON, June 29: World oil prices rose on Tuesday, helped up by expectations that industry data released after the close of trade would confirm renewed demand for gasoline in the United States, reports Reuters.

A recent flood of European and West African crude oil imports to the US is expected to show up when the weekly stocks are released.

These imports will have to show up sooner or later and since a tight US market was keeping the whole market up, this is bound to push us further down," a European trader said.

Brent blend prices stand more than 4.00 dollars a barrel higher than they did at the end of the first quarter of the year after a prolonged rally sparked by higher US demand, buying from influential hedge funds and steady -- not higher -- supply.

But some traders and analysts have been expecting a downward correction since the April-June period is usually the lowest in the year for oil demand.

Poor refining margins has led to a slowdown of refinery output which should eat into crude oil demand.

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## SIA, TATA to run domestic airline service in India

BOMBAY, June 29: Singapore Airlines and the Tatas have decided to operate a domestic airline service in India, the country's leading business house announced here Tuesday, reports AFP.

Tatas' in a statement said a joint feasibility study would be conducted soon to launch the service by 1995. It gave no further details of the planned venture.

Singapore Airlines carries some 10 million passengers annually to 70 cities in 40 countries including India.

The Indian group, with assets totalling 283 million dollars, manufactures steel, automobiles, engineering and other products including consumer goods in the country.

## Green Delta Insurance declares 18 pc dividend

The Green Delta Insurance Company Ltd has declared 18 per cent dividend to its shareholders for the year 1993, says a press release.

The dividend was announced at the 8th Annual General Meeting of the company at Hotel Sonargaon in the city yesterday.

The Company Chairman Shafat Ahmed Chaudhuri and the Managing Director Nasir A Chaudhuri along with several shareholders addressed the meeting.

The meeting approved the audited accounts for the year 1993. The company earned a pre-tax profit of Tk 3.05 crore.

The company's financial results showed an increased gross premium income of Tk 17.34 crore in 1993 from Tk 16.10 crore in 1992.

Founded more than eight years ago, the company has consistently been one of the leading insurance companies in the private sector. Gross claims settled in 1993 amounted to Tk 5.60 crore. In 1993 the company's paid-up capital and reserves amounted to Tk 15.66 crore and total assets amounted to Tk 27.33 crore.

The Company presently has a network of 35 offices spread throughout the country.

In the subsequent board meeting of the company Shafat Ahmed Chaudhuri was re-elected Chairman and Azam J Chowdhury and Farida R Ahmed were elected as Vice Chairmen of the Company.

## Tea sale in Ctg marks decline in prices

CHITTAGONG, June 29: The weekly tea sale held here today was marked by a decline in prices of all grades of teas following much less support from all sections of buyers, market sources said, reports BSS.

Russia was the only major buyer for lare and bold broken with very limited support from Poland.

Pakistan operated selectively at lower levels while internal market once again lent a fair support at easier levels.

Large and bold broken were absorbed at a drop of Tk 2/- to Tk 2/50 per kg. over last while medium and small broken were also a lower market declining by Tk 2/- to Tk 3/-, after proving difficult for sale. Popular types met with only a restricted demand and sold between Tk 49/50 and Tk 52/80 per kg.

All fanings declined further by Tk 2/- to Tk 3/- per kg following less support. The few good liquoring types met with a fair support and eased by Tk 1/50 to Tk 2/- per kg following competition. Popular once again met with much less support and generally sold between Tk 49/50 and Tk 50/70 per kg.

The first offerings of green tea of the season comprising of 130 chests met with a very strong market Young Hyson sold between Tk 90/50 Finyong Hyson sold between Tk 64/- and Tk 65/10 and Hyson sold at Tk 61/20 per kg.

4,580 chest of dust on offer once again met with much less demand with prices declining between Tk 3/- and Tk 4/- per kg with fairly substantial withdrawal.

Internal buyers were the major operators along with some interest from Pakistan.

There were 22,108 chests of teas on offer.

EC okays Tk 38 cr grant for BRAC

Under the European Union's (EU) development assistance programme for Asia and Latin America, the European Commission has approved a grant of 8.15 million ECU (about Tk 38 crore) to Bangladesh Rural Advancement Committee (BRAC), as a contribution to its rural development programme (RDP III), a press release said, reports BSS.

A three-year programme to alleviate poverty and help the rural landless, RDP III follows a multi-sectoral approach covering such components as: institution-building and human resource development, savings and credit, employment and income-generation, primary health care and non-formal primary education.

RDP III's objectives and expected impact in poverty alleviation correspond to Bangladesh's development priorities and coincide with the orientations of the EC-Bangladesh cooperation strategy. Its total budget is about Tk 227 crore.

## Pak money market rates still high

KARACHI, June 29: Pakistan money market rates remained at high levels because the market faced a shortage of liquidity, dealers said, reports Reuters.

"As expected the market was tight today with call rates staying above the 14.50 per cent level," one dealer of KASB and Co said. The market became tight on the eve of settlement of a 967-million-rupee (31.46 million-dollar) T-bill Auction. The result of the auction was announced yesterday.

## FDA approves new anti-viral drug to treat AIDS

WASHINGTON, June 29: The US Food and Drug Administration (FDA) has approved the use of another anti-viral drug to combat the virus that causes AIDS, says a USIS press release.

The FDA announced June 27 that the new drug, called stavudine, will be prescribed for AIDS patients who no longer respond to other anti-viral drugs or are intolerant of them.

FDA Commissioner David Kessler said in a statement that stavudine, which will be marketed under the brand name Zerit by Bristol-Myers Squibb company of New York, is important because it gives AIDS patients another treatment option when currently available drugs become less effective.

"This is another sign of our commitment to act quickly on treatments for life-threatening diseases," Kessler said.

Stavudine is classed as a nucleoside analog, as are the other three AIDS drugs now on the market - AZT, ddI and ddC. All of these drugs are thought to slow the progression of AIDS by inhibiting the replication of the human immunodeficiency virus (HIV) that causes the disease.

The FDA said research data indicated that this class of drugs may extend the survival of AIDS patients in some cases. There is no known cure for AIDS.

Stavudine's major side effect is peripheral neuropathy - characterized by pain and numbness in the hands and feet.

Black Sea states to set up regional development bank

TBILISI, June 29: Eleven Black Sea countries plan to establish a regional development bank, a spokeswoman for the Black Sea Economic Cooperation Grouping (BSEC) said Tuesday at the beginning of a three-day meeting in the Georgian capital, Tbilisi, reports AFP.

According to Vasil Avetissian, a delegate from Armenia's finance ministry, the Black Sea trade and development bank will have an initial capital of one billion SDRS (special drawing rights), with an international secretariat based in Saloniki, Greece.

"All have agreed to establish a bank, but signing is different matter as it implies huge contributions from each country," said Avetissian, who claimed only Turkey, Greece and Georgia are ready to sign.

He added that the International Monetary Fund and other international funding institutions were considering providing funds for the bank.

Foreign ministers from the 11 member countries-Turkey, Russia, Ukraine, Romania, Bulgaria, Greece, Albania, Moldova, Georgia, Armenia and Azerbaijan-will meet Thursday to discuss the proposed bank and the freeing up of trade in the region.

## Businessmen in Haiti denounce US sanctions

PORT-AU-PRINCE, June 29: Three of Haiti's biggest business groups denounced stepped-up US sanctions, saying they won't be pushed into confronting the ruling military regime, reports AP.

If sanctions fail to dislodge Lt. Gen. Raoul Cedras and there is a foreign military intervention, "We will fight it morally, if not physically," Raymond Roy, president of the Chamber of Commerce told independent Radio Metropole on Tuesday.

The Clinton administration last week banned financial transactions involving Haitian banks, and cut off direct air travel. A decision to revoke all Haitian non-immigrant visas reportedly is pending in Washington.

The aim is to erode whatever public support Cedras has by attaching the blame to him of crippling Haiti's economy and crippling the lifestyles of the middle class.

Numerous businessmen said in interviews in recent days that they simply have no leverage over the armed forces and it is unrealistic to believe otherwise.

Max Villard, the Chamber of Commerce's vice president, told Radio Quisqueya: "We will put pressure on no one, neither of the right nor of the left."

Attending Tuesday's meeting were officials of the Association of Haitian Industries and the Centre for Free Enterprise and Democracy.

Exiled President Jean-Bertrand Aristide said from Washington last week that he, too, opposes the military intervention that President Clinton has refused to rule out. Aristide has said previously that he is constitutionally prohibited from directly advocating military intervention.

## World cotton production down, prices up

WASHINGTON, June 29: World production of cotton in the 1993-94 season is estimated at 76 million bales, 6.8 million less than in the previous season and 8 million below estimated consumption, reports AP.

A new report by the US Agriculture Department's Foreign Agriculture Service also said the US share of world cotton trade had risen slightly, inching up from 19.6 per cent in 1992-93 to an estimated 21 per cent this season. The cotton marketing year runs from August through July.

Lower global production figures reflect losses of a quarter-million bales due to bollworm infestation in China and Paraguay and overly high production estimates for Iran, the report said. Crop estimates increased in Australia, Turkey and Benin to reflect better harvesting conditions.

World cotton prices continue to rise dramatically. The so-called Cotlook A Index averaged 86 cents per pound (0.45 kilograms) during May, compared with 58 cents in June 1993.

The 1993-94 forecast for domestic consumption is 10.3 million bales, with exports forecast at 7 million bales and domestic ending stocks estimated to be 3.6 million bales, the report said.

The US share of world trade was 26 per cent during calendar 1993, rising 35 per cent from 1992 figures to 7 million bales more than any other cotton-producing country. US exports this season have been boosted by production declines in several major producing countries.



Nasir A Chaudhuri, Managing Director of Green Delta Insurance Company Ltd seen addressing the 8th Annual General Meeting of the company at a local hotel yesterday. Shafat Ahmed Chaudhuri, Chairman and other directors are also seen in the picture.