

### Sonali Bank fixes investment target of Tk 503 cr

Sonali Bank has fixed an investment target of Tk 503 crore under agriculture and rural credit for the fiscal year 1994-95. The amount will be disbursed through the bank's 945 branches in 1140 unions around the country, says a press release.

In addition to the existing agricultural credits, a number of other income generating programmes have been launched for poverty alleviation of the marginal people and boosting national GDP as well. Special Investment Programme is one of them. Under the programme, the bank sanctioned over Tk 20 (Twenty) crore during last one year for rearing poultry, fishery, dairy and intensive and semi-intensive shrimp culture.

Special Investment Programme has been identified potential as it has already expected good results. As such, necessary steps are taken to expand the programme.

### Shrimp processing plants in Khulna inoperative

KHULNA, June 30: Freezing plants of the shrimp processing factories in the town have become inoperative due to frequent power failure and load-shedding in the recent days, reports UNB.

In Khulna town alone, there are 20 such factories, which are directly involved in marketing of shrimp of several lakh Taka daily.

Most of the shrimp processing plants cannot operate due to scarcity of ice, and shrimps worth about Taka 20-25 crore are about to be rotten.

The shrimp traders have urged the authorities concerned to ensure smooth supply of electricity so that they can run their business unhindered.

### SB disburses Tk 40 lakh loan in Jamalpur

JAMALPUR, June 30: Sonali Bank disbursed Taka 40 lakh loan in the last one year to boost production of milk, meat and fish in the region, official sources said, reports UNB.

The loan was distributed among 38 projects, which included 12 dairy farms, 7 animal husbandry farms, 10 poultry farms and nine fish-culture projects.

The loan was given under a special scheme of the Sonali Bank and beneficiaries have shown much interest in it. Manager of the Marketing Branch of the bank said.

### Implementation work on ADP projects continues

Implementation work on six out of ten projects of the Ministry of Food undertaken at a cost of Taka 58.37 crore under the current Annual Development Plans (ADP) is going on in full swing, reports BSS.

Implementation of three out of these six projects has already been completed in the current fiscal year and that of the rest three is expected to be completed in the coming fiscal year. Ninety-five per cent of the allocated fund has already been utilised for this purpose.

This was stated at the quarterly general meeting and monthly meeting of the Project Implementation Review Committee of the Ministry of Food, with Food Minister Mir Shawkat Ali presiding.

Secretary of the Ministry of Food Islam Uddin Malik, divisional chiefs of different departments, controller and regional controllers of food and other senior officials of the ministry attended the meeting on Wednesday.

The Food Minister directed the concerned officials to put in concerted efforts to complete the incomplete projects within schedule time.

Emphasising the importance of proper maintenance and preservation of foodgrains in the national life, Mir Shawkat warned that wastage and damage of foodgrains in the godowns would not be tolerated. Concerned officials would be made responsible for mismanagement and improper preservation of foodgrains and unnecessary delay in disposal of stored foodgrains.

## Country's raw jute exports showing declining trend

By Atiqul Karim

Bangladesh exported ten lakh eighty nine thousand bales of raw jute to different countries till April, 94, sources said.

Country's earning through export of raw jute stands at Taka 202.20 cr.

As compared with the corresponding period last year, 13.33 lakh bales of jute amounting to Taka 251.97 cr were exported to overseas states.

It distinctly appears that both export earning and the quantum of export of raw jute declined by Taka 49.77 cr and 2.44 lakh bales respectively.

Country-wide statistical data shows that raw jute export to Singapore declined by 1.86 lakh bales, Indonesia by 0.36 lakh bales, Egypt by 0.58 lakh bales, Ivory Coast by 0.28 lakh bales and last of all, Brazil by 0.45 lakh bales.

There was no export of raw jute to Ethiopia till April 30.

94 as against export of forty four thousand bales during the corresponding period of the last fiscal year. It is learnt.

A positive sign, however, is that the export of raw jute has been substantially increased by 0.33 lakh bales to Pakistan, 0.28 lakh bales to Thailand, 0.86 lakh bales to India, 0.29 lakh bales to China and 0.26 lakh bales to Russia.

It is observed that country's jute export to Bulgaria alone stood at six thousand bales upto April 30, 94. A comparative analysis indicates that raw jute was not exported to this country during the same period last year.

Quality-wise export of jute till April, 30 manifests that different grades of jute including jute cuttings of White exported till then amounted to 2.39 lakh bales — Tossa about 8.39 lakh bales and Meshta eleven thousand bales totalling 10.78 lakh bales only.

During the same period last year, quality-wise export of White jute stood at approximately 3.47 lakh bales, Tossa about 9.69 lakh bales and Meshta about seventeen thousand bales only totalling export of 13.16 lakh bales.

Explaining the cause of decline in raw jute export, a high official of the Bangladesh Jute Association said, previously at the time of EPC system, merchants from London and other buyers used to purchase jute from Bangladesh showing the destination in Singapore. But jute so purchased didn't reach Singapore since there is no jute mill in that country. So to say, after abolition of EPC and registration systems, such sales through Singapore are on the decrease, he informed.

Moreover, one of the potential buyers of raw jute, Pakistan, which used to buy five to six lakh bales of jute an-

nually earlier had to close down some of the jute mills there as Pakistan government allowed the import of jute bags from Bangladesh and other countries for the purpose of wheat storage. The official pointed out.

Apart from this, due to financial constraints, some other countries have failed to purchase jute from Bangladesh having legitimate demand to meet their local consumption, he added.

Besides, lack of adequate banking and other facilities, a large number of exporters fail to export with big volume of raw jute, it is alleged.

On the other hand, the reason of increase in export of raw jute to some countries is that after the abolition of EPC system, the buyers have started buying jute directly from the local exporters without any difficulty.

### Mitsubishi to open office in New Delhi

TOKYO, June 30: Japan's largest comprehensive heavy machinery maker, Mitsubishi Heavy Industries Ltd (MHI), said Wednesday it would open its first representative office in New Delhi, India on July 1, reports AFP.

The new office will survey market information, including prospects of local procurement and local production, the company said, adding that the office would watch the development of the Pakistan market.

MHI decided to establish a representative office to explore business opportunities for the marketing of mass-produced goods such as machine tools, construction machinery and air conditioners and to gather information about infrastructure building projects including power generation plants, it said.

As the economy of India has grown steadily in recent years, its market potential for MHI has increased. Also, the success of other Japanese companies in India in fields such as automobiles and glass has shifted India's attention.

### Pak traders accept offer for fresh talks on budget

KARACHI, June 30: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI), boosted by the success of its call for a two-day business shutdown, has accepted a government offer for fresh talks about changes to the national budget.

FPCCI President Sheikh Mohammad Muneer who called the strike Sunday and Monday to protest what he called 'detrimental clauses' in the budget, told AFP he was hopeful about the outcome of fresh negotiations.

Muneer said a five-member chamber delegation would resume negotiations with Minister of State for Finance Makhdoom Shahabuddin on Thursday.

The minister said Prime Minister Benazir Bhutto had given him 'full powers' to negotiate to remove adverse clauses in the budget, the FPCCI chief said.

The budget for fiscal 1994-95 starting July 1 was passed Monday by the National

Assembly with six amendments to appease the angry business community.

The new package removed additional powers of tax collectors to arrest evaders, reduced the penalty for evasion, and introduced tax self-assessment for non-corporate sectors and lowered penalties for late submission of returns.

But Muneer on Monday rejected the package saying it was 'eye-wash'.

He said the minister had given an assurance that despite the passage of the budget 'adjustments were still possible'.

He said there were corrupt people among tax collectors forcing businessmen to fill their pockets instead of paying to the national exchequer.

He also criticised the imposition of a 70 per cent duty on raw material imports and a reduction of duty on finished goods to 35 per cent which would 'happen' the growth of local industries.



Richard Vrijmoet, General Manager of Sonargaon Pan Pacific Hotel, presided over the third luncheon meeting of SKAL Club at the Sky Room Restaurant recently.

### GATT deal faces rough ride thru US Congress

LONDON, June 30: The GATT deal agreed last year to liberalise world trade faces a rough ride through the US Congress where lobbyists say it threatens US sovereignty, a senior US farm official said on Wednesday, reports Reuters.

But the US government did not believe that the concerns expressed by environmental, farm and other groups were justified, said Eugene Moos, Under Secretary of Agriculture.

The trade deal under the General Agreement on Tariffs and Trade (GATT) was agreed last December after years of tortuous negotiations. Trade officials fear the US Congress could force the whole process to start again if it throws the treaty out.

The goal is to get an implementing bill introduced and voted on before the Congress adjourns for its summer recess sometime in early August, Moos told a conference organised by the International Wheat Council, a forum of exporting and importing countries.

"One reason is concern by US environmental agricultural and citizen right groups as well as business and industry that the GATT accord and the WTO (World Trade Organisation) will threaten US sovereignty," Moos said.

### Supreme Court in Philippines suspends new tax law

MANILA, June 30: The Supreme Court on Thursday indefinitely suspended a controversial tax law one day before it was to take effect, President Fidel Ramos said the tax should be given a chance to work, reports AFP.

The court voted 11-4 to issue a temporary restraining order after several citizens' groups questioned the constitutionality of the expanded Value Added Tax law.

The order suspends the tax until the court resolves the constitutionality issue. The tax was to take effect Friday.

Since Ramos signed the law last month, there have been numerous complaints that prices of prime commodities had suddenly increased.

Officials, however, blame unscrupulous businessmen and shop owners, since items such as rice, corn, meat, poultry, fruit, vegetables, feed and fertilizer were not covered.

When he signed the law May 5, Ramos said new tax would result in an additional 8.3 billion peso (307 million dollars) in annual tax revenues. It would also result in more equitable tax distribution and to simplify collection because it would replace more than 80 other taxes, which clutter the system, he said.

The government had to turn to the value added tax, similar to a sales tax, because it cannot collect income taxes owed. Officials estimate less than a third of the income taxes due are actually paid because of widespread evasion.

"Let us give VAT, which is a law enacted by Congress and approved by the president, a chance to work," Ramos said during a nationally televised address Thursday, shortly before the Supreme Court issued the order.

### Greenback continues to weaken

TOKYO, June 30: The US dollar sank to its fifth record low in seven sessions Thursday despite sporadic central bank intervention, reports AP.

But the selection of Tomichi Murayama as Japan's first Socialist Prime Minister in nearly four decades appeared to have had a mixed impact on Tokyo's financial markets. Stock prices rose moderately.

The dollar closed at 98.95 yen, down 0.32 yen from Wednesday's finish in Tokyo but slightly above its overnight close in New York of 98.70 yen.

It was the US currency's lowest close in Tokyo since modern exchange rates were established in the late 1940s, starting with 360 yen per dollar. The previous record low close of 99.27 yen was set the previous day.

After opening at 98.83 yen,

its lowest start ever in Tokyo, the dollar ranged between 98.75 yen, a record intraday low in Tokyo, and 99.13 yen.

Spot trading totalled 7.011 billion dollars, down from Wednesday's 12.060 billion dollars.

On the Tokyo Stock Exchange, the Nikkei Stock Average of 225 selected issues rose 162.93 points, or 0.80 per cent, closing at 20,643.93. On Wednesday, the average had shed 158.23 points to 20,485.00.

The Tokyo Stock Price Index of all issues listed on the first section gained 6.70 points, or 0.40 per cent, closing at 1,678.32. It had fallen 5.62 points to 1,666.62 the previous day.

Volume on the first section was estimated at 440 million shares, up from Wednesday's 316 million shares.

Advances outnumbered declines 628 to 381 with 169 issues unchanged.

The dollar's lower opening followed its weakness in overnight New York trading after Japan's parliament elected Maruyama Prime Minister Wednesday night.

He heads a coalition of previously antagonistic parties — the Socialists and Liberal Democrats — and traders said political instability was expected to hamper trade talks with the United States.

Japan posted a 59 billion dollar trade surplus with the United States last year, and any perceived setbacks in efforts to narrow the imbalance tend to work against the dollar.

The higher yen has hurt Japan for nearly two years by making its products more expensive and less competitive abroad.

### China reacts to possible US trade sanctions

BEIJING, June 30: China reacted angrily Thursday to the possibility of US trade sanctions over copyright piracy, and accused Washington of acting irrationally, reports AP.

The US government has given China until June 30 to resolve disputes over intellectual property rights or risk being named a priority country for investigations that could trigger trade sanctions.

Lee Sands, a US trade representative, held talks last week in Beijing, but was not convinced that China has done enough to enforce laws protecting intellectual property rights.

Everything from fake designer jeans to pirated computer software are widely available in China. US companies contend that copyright piracy in China cost them 800 million dollars in lost sales last year.

But Chinese Foreign Ministry spokesman Shen Guofang said China "has done its utmost" and has done a lot of work to protect intellectual property rights.

"The US government in disregard of these facts has put China in the name list of priority countries," Shen said at a weekly briefing for reporters. "This is irrational and will be unacceptable to us."

He also said US officials were uncooperative and made irrational demands during negotiations on the issue.

US trade sanctions would

### WB okays \$500m loan for Russia's oil producers

WASHINGTON, June 30: The World Bank said Wednesday it approved a \$500 million dollar loan for Russia's oil producers, bringing total commitments from the World Bank to Russia in 1994 to 1.5 billion dollars, reports Reuters.

The bank in a statement said three oil producer associations in Western Siberia will benefit from the loan.

The associations — Megionneftegas, Tomskneft and Yuganskneftegas — will use funds to improve production at existing wells, for environmental training programmes and for projects such as replacing pipelines to stem oil leaks and in environmental cleanups.

The bank said at peak production the projects will provide 8.3 million metric tons per year of additional oil, representing a 2.5 per cent increase in national output that should generate additional gross revenues of about 900 million dollars annually.

### Saudis appreciate surge in oil prices

DUBAI, June 30: Saudi Arabia is breathing easier thanks to a 5 dollars a barrel surge in oil prices but analysts say the economic problems of the world's largest producer are far from over, reports Reuters.

Despite the 45 per cent price rise over the last three months, Saudi Arabia's oil revenues so far are well below last year, the economy is shrinking and the government remains far behind on payments to its contractors.

Furthermore, the government has not undertaken many of the lasting reforms that economists say will enable it to deal with the lower revenues likely to result from sanctioned Iraq's eventual return to the oil market.

"The government doesn't have much money. People may feel better," one banker said, "but may be they're just more resigned."

The price of Arab light in the first half of this year is averaging more than 3 dollars a barrel below the price a year earlier. Combined with slightly lower production, that translates into a loss of about 5 dollars billion in revenue for the first half of 1994.

### Sales of rough diamonds by CSO leap by 41.5 pc

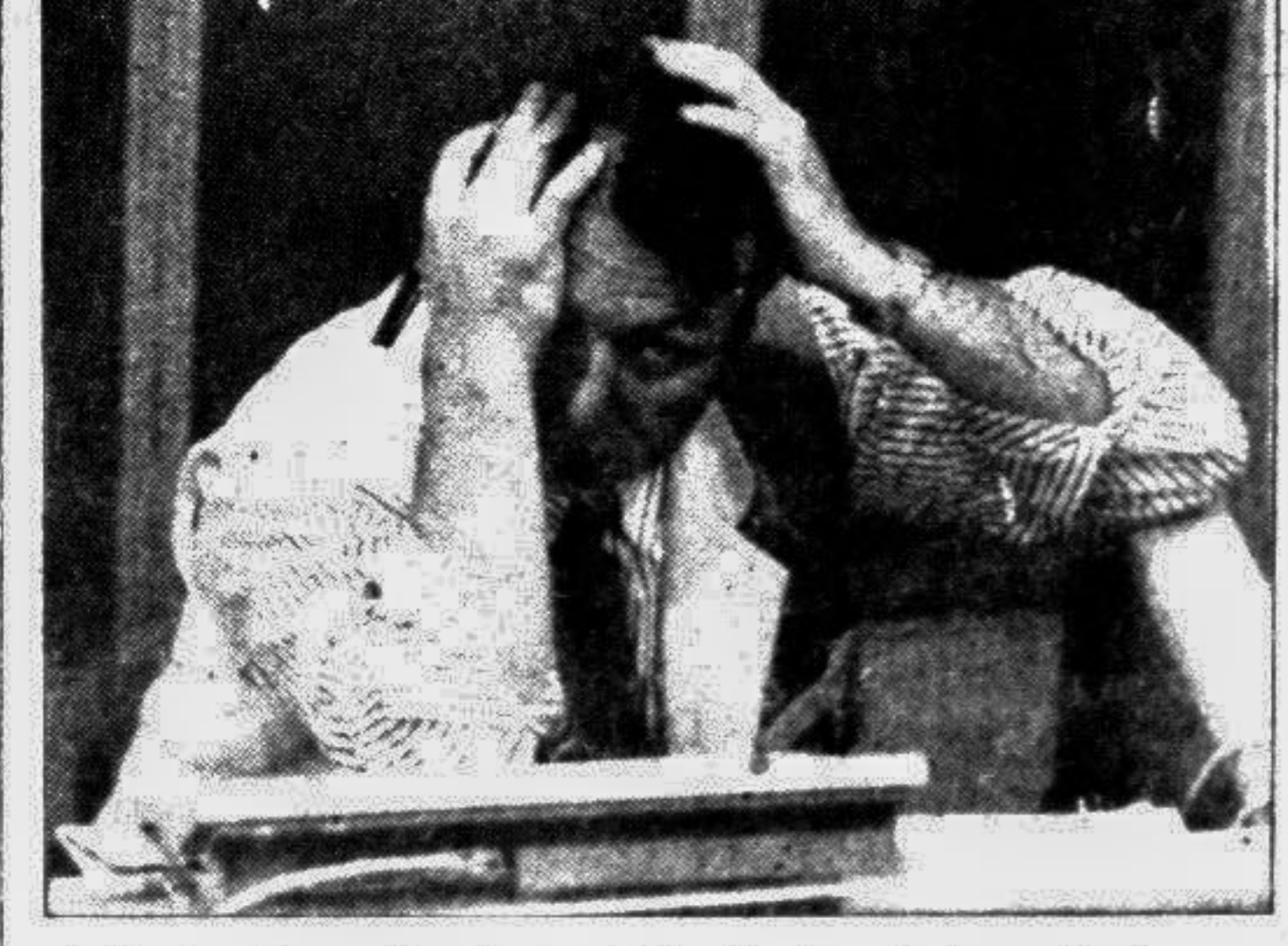
JOHANNESBURG, June 30: Sales of rough diamonds by the Central Selling Organisation (CSO) leapt by 41.5 per cent in the first six months of 1994 over the previous six months, CSO owners De Beers said Wednesday, reports AFP.

The London-based CSO chalked up sales amounting to 2.58 billion dollars, from January to June, a statement from De Beers said.

However, sales by the diamond cartel in the first six months of 1994 were only 1.5 per cent higher than for the comparable period in 1993, the statement said.

The South African based De Beers said demand for rough diamonds was strong but any significant improvement was dependant on increased demand from Japan and Europe.

Discussions with Russia over the CSO contract to market Russian diamonds were continuing, the statement said.



A dealer shows the strain at the Sydney Futures Exchange on Wednesday as the plunging US dollar drags down the Australian currency and threatens to increase inflationary pressures.