

## Growers worried at continued decline in tea prices

From Nurul Alam

CHITTAGONG, July 19: Despite better harvest, Bangladesh tea growers seem to be worried as prices of tea continued to decline in every auction held so far in the current season, brokers and officials said.

In auction No. 10 held here on Tuesday the average price of tea per kg. was recorded at Taka 41.89 only down from Taka 43.09 per kg in auction No. 9. But in auction No. 8 the average price was recorded at Taka 44.15 per kg while in auction No. 7 the average price of tea was Taka 46.26 per kg, according to market sources.

Since the beginning of current season from the last part of April '94, tea price continued to drop by Taka 2 to 3 per kg. In every auction, with a heavy withdrawal (unsold) of around 40 per cent, brokers said.

### Eastern Insurance declares 15pc dividend

Eastern Insurance Company Ltd. has declared a 15 per cent dividend for the shareholders for the year 1993, says a press release.

The dividend was announced at the 8th Annual General Meeting of the company in the city recently. The chairman of the company, M. Haider Chowdhury, presided over the meeting.

The Chairman expressed deep gratitude to the public who reposed their great confidence in the company by applying for shares to the tune of Taka 12,31,38,000/- as against available shares of Taka 3 crore issued to the public for subscription.

The Chairman expressed the hope that the company would continue to get such support from the public at all times.

He expressed the satisfaction over the performance of the company during the year 1993.

The shareholders approved the balance sheet of the company for the year 1993 and re-elected SD Alam, Khaled S Ahmed and Mohd Mohsin as Directors of the company for further period as per company's Articles of Association.

### BIBM training course ends

A 9-day long training course on 'Human relations and customer services development' concluded yesterday, says a press release.

The Bangladesh Institute of Bank Management (BIBM) conducted this course with a view to familiarise the participants with modern management techniques and ways and means for improving human relations and customer services in banks and financial institutions.

A H M Nurul Islam Choudhury, Director General, BIBM, presided over the concluding session of the course and gave away the certificates to the trainees. Choudhury in his speech underscored the importance of human relations and said that without good human relations and satisfactory customer services banks cannot flourish. He also expressed the hope that the course would help the participants in the improvement of human relations and customer services and overall performance of their institutions.

Dr Mihir Kumar Roy and ATM Abdus Sahid, BIBM faculty members, were the coordinators of the course.

### Microsoft stock rises

NEW YORK, July 19: Shares of Microsoft Corp rose in early trading Monday as investors offered their first reaction to the company's settlement with US and European antitrust investigators, reports AP.

Microsoft was up 2.25 dollars at 50.87 dollars on the Nasdaq Stock Market.

Faced with the prospect of government lawsuits in the United States and Europe, Microsoft agreed this weekend to change the way it sells operating systems of PC makers. An operating system is a programme that controls the basic functions of a computer, like opening files.

Investors appeared to agree with analysts who earlier said it wouldn't diminish Microsoft's position as standard-bearer for the world-leading US software industry.

Besides, compared with the corresponding period of previous season, the price-fall in the auctions here ranges between previous 7/- to 10/- per kg, brokers and officials informed.

They are apprehending further fall in prices in the next auctions.

A senior official of a leading broker house in the port city here said, "Our tea trade has been badly affected as a sequel of price-fall in international markets particularly in Sri Lanka and South India."

"Most of our traditional foreign buyers now have moved to those markets to avail cheaper priced teas that resulted in their reported absence in the auctions here," he said adding it has immensely caused a down-slide in prices of our tea.

The 10 auctions of the current

season held so far saw a very poor participation from Russia and Pakistan earlier known as the largest buyer of Bangladesh tea while other major buyers from Iran, Jordan, Poland and continental countries remained absent till now, brokers said.

Consequently, those auctions marked a sluggish trading, they further said.

The internal consumption of tea is not picking up as people can not afford to drink more tea due to price-hike of sugar and milk, it is learnt.

Officials of the Bangladesh Tea Growers' Association, a grouping of the country's 151 tea gardens, mostly in the private sector, say, though production is up this year, prices remained down due to less export enquiry.

According to official re-

ports, in the first six months upto June this year, the country produced 17 million kgs. of tea, up 15.5 million kgs produced in the corresponding period of previous year 1993.

In the year 1993 alone tea production rose to 51.9 million kgs from 48 million kgs a year before (1992).

The dull trading posed a fresh setback to Bangladesh tea which meanwhile, enjoyed a fair position in 1993 after overcoming the crisis of 1992 due to collapse of Soviet Union.

Talking to The Daily Star over telephone the concerned trade officials of state-owned Bangladesh Tea Board said, "We have urged the growers to increase the yield to minimise the cost of production as we have nothing to do otherwise to tackle the crisis."

## UNSC maintains economic ban on Iraq

UNITED NATIONS, July 19: A divided Security Council on Monday maintained the crippling economic embargo against Iraq after the United States campaigned against any move to ease the sanctions, reports AP.

Diplomats, requesting anonymity, said that no nation favoured the immediate lifting of sanctions, but pointed to divisions within the 15-national council over what approach to take toward Baghdad.

The council, which holds a regular review of the Iraqi sanctions every two months, met in a closed session.

Some nations, including Russia and France, favour a gradual easing of sanctions as Iraq fulfils the conditions imposed under the ceasefire that ended the 1991 Gulf War. They want the council to issue a statement publicly acknowledging Iraq's cooperation with weapons inspectors — a key step toward getting the oil embargo lifted against Iraq.

## Accor may build two new hotels in Haiphong

HANOI, July 19: French hotel group Accor, which already runs Haiphong's prestigious Sofitel Metropole, has been given the green light by Vietnamese authorities to build two new hotels in Haiphong, and is hoping for licences for three more, reports AFP.

The hotel group has received a licence to build a 158-room hotel in Haiphong, the country's third largest city, a 22.9 million-dollar joint venture project between French group Accor and the Vietnamese government, a Hanoi Representative Riccardo Perran told AFP.

A second hotel, the 'Hong Bang' will be renovated and expanded to 122 rooms at a cost of 11.3 million.



Volkswagen, Audi and the electronics concern AEG are, for example, among the biggest German companies which invest in China. Here a German expert advises his Chinese colleagues on the finer points of fitting a car door. — AP photo

## Foreign workers' kin should get easy access to Kuwait, say MPs

KUWAIT, July 19: Kuwait should make it easier for foreign workers to bring in relatives to revive consumer spending in the moribund non-oil sector of the economy, members of parliament said yesterday, reports Reuters.

"The aim of the draft law proposed by a group of deputies is to allow resident (foreign) workers to bring their families to Kuwait. That can help revive the local economy," said MP Mohammad Dhaf Allah Sharar, who supports the proposal.

Single worker would not do (spend) as much as families would.

A bill drafted by five MPs

and expected to be debated by parliament shortly would lower minimum salary conditions imposed on expatriates seeking to bring in their families.

The bill lowers to 300 dinars (1,000 dollars) from 650 (2,200 dollars) the minimum that private sector workers must earn each month to qualify to bring in relatives.

It lowers to 250 dinars (847 dollars) per month from 450 (1,520 dollars) the minimum that public sector workers must earn to do the same.

The economic depression is a result of the great presence of single workers in the state and those do not need to buy (much) from local mar-

kets," member of parliament Mubarak Al-Dawilah was quoted as saying by Al-Watan newspaper.

Dawilah also cited security concerns. "The security position is threatened by the great number of single (workers) invading the state," he said.

Newspapers have reported a surge in rape cases recently.

Kuwait's population fell by about 40 per cent to 1.3 million after the 1991 Gulf War that ended Iraq's seven-month occupation. The fall was partly the result of a new policy of cutting dependence on foreign labour and partly the result of the expulsion or flight of Palestinians seen as disloyal.

## GCC states expect to earn more from oil exports this year

ABU DHABI, July 19: Gulf Arab states expect to earn more from oil exports this year if prices continue to improve. But this will be offset by the plunge in the US dollar against major currencies, bankers said yesterday, reports AFP.

Crude prices have jumped by nearly four dollars to around 18 dollars since March due to an oil strike in Nigeria and other factors and experts said the average could exceed last year's 16.33 dollars if prices remained strong.

This means the six Gulf Cooperation Council (GCC) states, which export one fifth of the world's oil, could earn more dollars in 1994 than

their 1993 revenues of around 68 billion dollars, they said.

"In face value, the GCC's earnings could be higher in 1994 but in real value I do not see any big difference given the decline in the US dollar," a United Arab Emirates (UAE) bank manager said.

"The dollar's decline has largely weakened its purchasing power. If it remains weak, this will affect GCC states most as it will sharply boost their import bill and their currencies are effectively linked to the dollar."

Imports by GCC states — Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the UAE — stood at around 78 billion dol-

lars in 1992, most of which came from the United States and other industrial countries.

Around half of them came from such non-dollar countries as France, Japan, Germany, Italy, Switzerland and Britain, whose currencies have largely gained ground against the dollar.

Bankers and oil analysts said GCC states could make up for the dollar fall if oil prices moved over 20 dollars a barrel to come close to the 21 dollar benchmark of the organisation of petroleum exporting countries.

"But this is a remote possibility," one oil expert said.



Dr A Moyeen Khan, State Minister for Planning, seen inaugurating a computer sales display and training centre of Multilink Int'l Co Ltd at Banani in city yesterday. — Star photo

## Sutherland urges ROK Ratify new GATT accord or face trade losses

SEOUL, July 19: GATT Director-General Peter Sutherland urged South Korea Monday to immediately ratify the Uruguay Round trade agreement or face trade losses, reports AFP.

"If (South) Korea decides otherwise, it has everything to lose, especially because it has an export-oriented economy," the GATT chief said upon arrival here for a four-day stay.

Opposition parties have staged rallies urging the Seoul government to reject the new global trade agreement and protect domestic business, delaying its approval by parliament.

Sutherland said South

Korea had already "earned the most it possibly can" through active protection of its interests in multilateral deals to establish the world trade organization (WTO).

"Thus, (South) Korea will be one of those countries which benefit most from the pact, if it stays in the organization," he said.

He said any regional economic forum would pose no problem if it operates within the framework of the WTO, which is scheduled to replace GATT in January next year.

Sutherland supported China's entry into the General Agreement on Tariffs and Trade. But he said it would not

be possible within this year, citing procedural problems.

In Seoul, Sutherland will hold talks with South Korean Trade Minister Kim Chul-Su, President Kim Young-Sam and other government officials on trade issues.

He will also speak at a seminar on the future of the new global system and its prospects.

Kim Chul-Su earlier this month declared his candidacy for the top WTO post, for which Italy, Brazil and New Zealand have also fielded candidates. But Sutherland, in an arrival press conference, refused to comment on Kim's candidacy.

## Citibank reports record growth in market for ADRs

Citibank N A said today that trading volumes for American Depositary Receipts (ADRs) experienced record growth during the first half of 1994 as more companies than ever before launched new programmes, says a statement issued from New York recently.

The total number of ADR shares traded on US stock exchanges (NYSE, Nasdaq and AMEX) hit an all-time high of 3.6 billion shares for the first six months. This represented a 35 per cent increase over the same period last year. Moreover, the US dollar volume of ADRs traded during the first half reached 135 billion dollars, up 60 per cent from the first half of 1993.

Citibank also reported that its share of the market increased substantially, with the bank acting as depository for approximately 44 per cent of the companies launching new ADRs during the first half.

"The strong growth we're seeing in ADR trading on US stock exchanges is being fuelled not only by investors' attraction to the higher potential returns for overseas equities over the long-term, but also because their is now greater emphasis on diversifying portfolios internationally," said David L. Boyle, Managing Director, Citibank, N.A.

Despite recent downturns in foreign markets, US investors' enthusiasm for overseas equities over the long term is expected to remain high. In the past decade, US investment in foreign equities has increased tenfold, from 26 billion dollars in 1983 to 262 billion dollars last year. Many

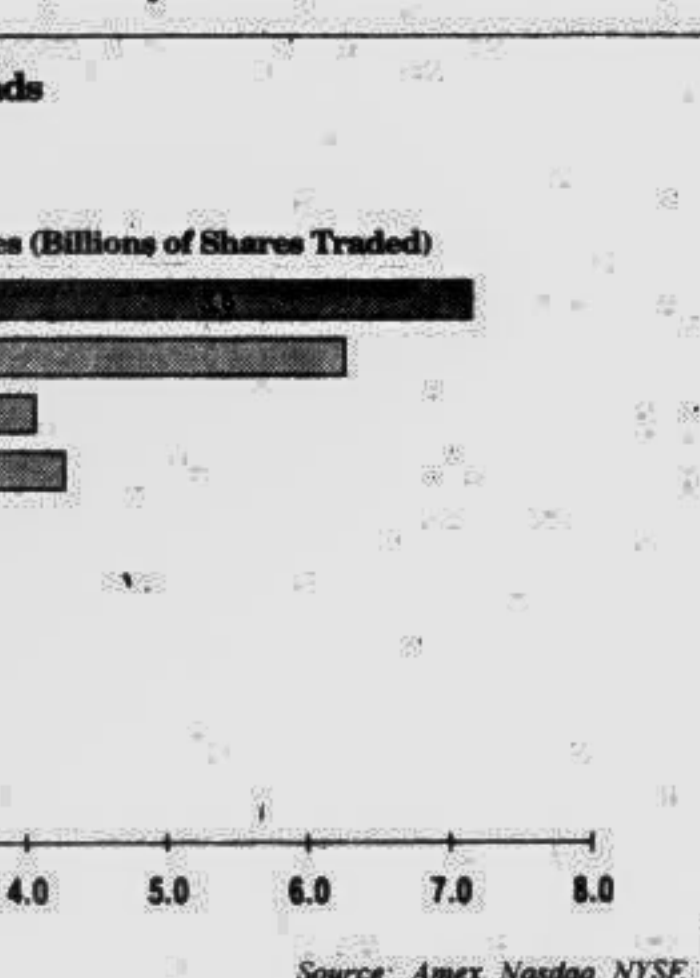
expect that number to reach one trillion dollars by the turn of the century.

American Depositary Receipts are negotiable certificates that represent shares of stock in a non-US company. They trade on US stock exchanges the same way ordinary shares do and provide US investors with a convenient and cost-effective way to diversify

months. By comparison, 63 programmes were launched during the first half of last year.

India was the pacesetter with 18 companies from that country launching new ADR programmes. Other hot issuing markets included: Hong Kong (ten companies); Brazil (nine companies); Mexico (nine companies) and the United

Kingdom (five companies). Additional countries where companies launched ADR programmes included: China, Korea, Malaysia, Philippines, Sri Lanka, Taiwan, Thailand, Austria, Bermuda, Denmark, Finland, France, Germany, Ghana, Hungary, Ireland, Italy, the Netherlands, Norway, South Africa, Sweden, Turkey, Argentina, Chile, Colombia, Jamaica, Peru and Venezuela.



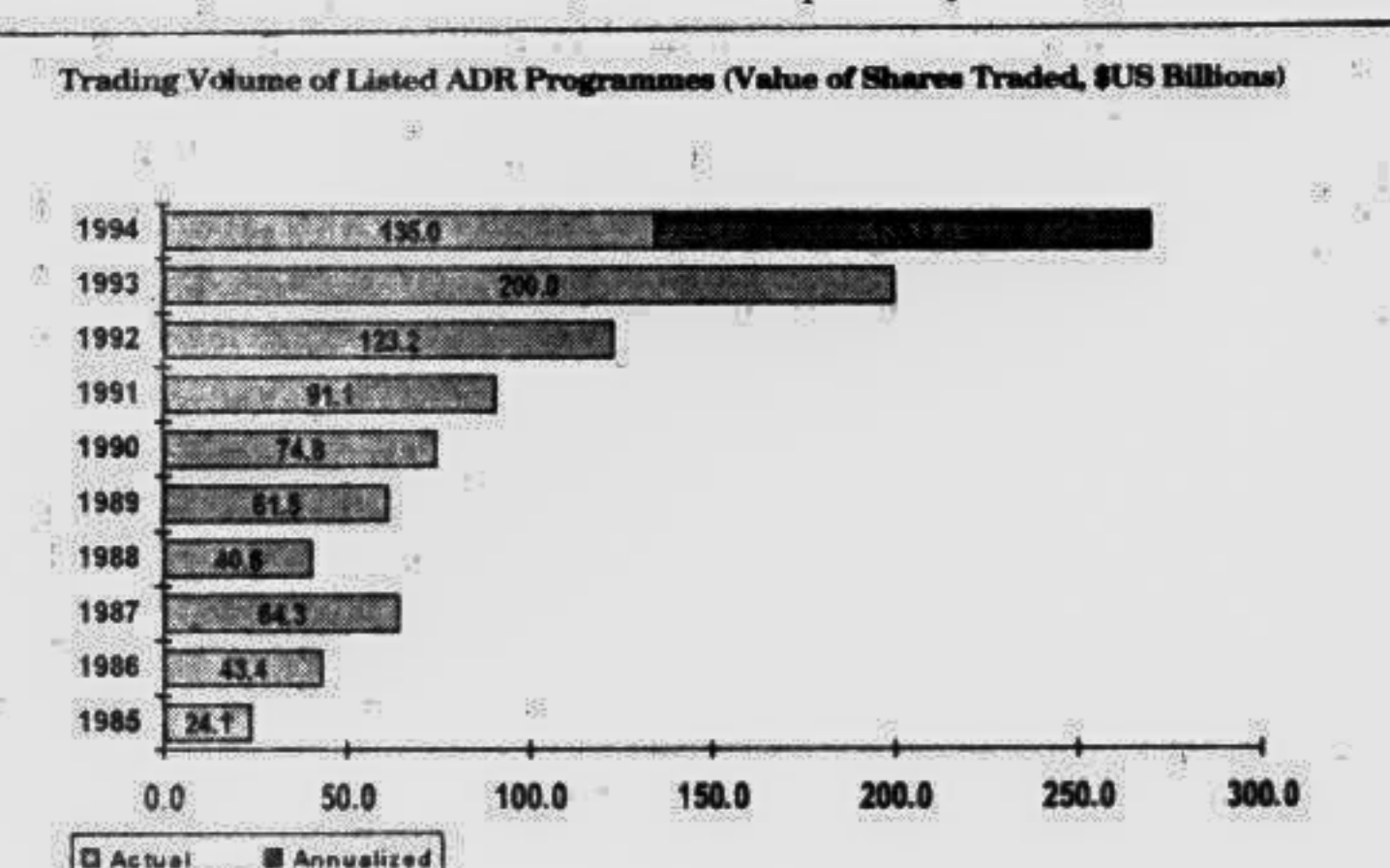
their investment portfolios internationally.

### Record number of new ADR issues

Amidst growing US investors' interest in foreign equities, an unprecedented number of new ADR programmes were launched by non-US companies looking to tap the American capital markets during the first half. Some 111 new ADR programmes from 33 countries became effective during the first six

months. By comparison, 63 programmes were launched during the first half of last year.

Citibank market share up



grammes."

The bank said its increasing success in the ADR arena reflects the fact that issuing companies are recognizing that the market has grown much more complex in recent years. "More and more companies are looking for a strategic partner in their depository relationship and want someone who brings the global reach, market knowledge and product engineering skills necessary to help them take full advantage of today's increasingly

global capital markets," Boyle said.

Other highlights:

\* Outside the US, Citibank announced the creation of a Singapore depository receipt (SDR) programme for Daimler-Benz, which became the first major company to offer its securities to local investors in Singapore through the use of depository receipts. The SDR

in privatizations in markets around the world. So far this year, depository receipts have been used in 12 privatizations. Citibank has acted as depository in several major privatisation deals, most recently for Pharmacia Aktiebolag, a Swedish health-care company and one of the largest pharmaceutical companies in the world.

\* There were 1,251 ADR programmes in existence on June 30. Some 525 programmes represent issuers in Asia/Pacific; 491 in Europe; 142 in Latin American and 93 in Africa.

The growing flexibility of depository receipts as a capital-raising tool was further evidenced when Citibank created a new "Side-by-Side" ADR programme for Manila Electric Company where the shares trade publicly over-the-counter along side the company's previously established restricted Global Depository Receipt programme, available only to Qualified Institutional Buyers (QIBs). Citibank established the first "Side-by-Side" ADR programme for France's Alcatel Alsthom in March, 1991.

Citibank, which serves nearly 500 depository receipt issuers worldwide, began offering ADR services in 1928 and has been the leading market innovator in recent years. With a local presence in over 90 countries and unparalleled strength in delivering on-line information through its proprietary systems and network, Citibank is uniquely qualified to support the funding needs of companies around the world.

\* During the first half, 61 companies raised more than 8.4 billion dollars through depository receipt structures. On an annualized basis, the amount of capital raised using depository receipts has more than doubled since 1991.

\* Depository receipts continue to play an important role

## PBL employee gets Kalchakra Independence Gold Medal '94

Renowned play writer and litterateur Shamsuddoha Mahmud has been awarded Kalchakra Independence Gold Medal '94, says a press release.

He received the award for his outstanding contribution in the field of literature.

The award was given by the Kalchakra cultural organisation.

Doha started writing since the end of sixties and he has so far written three books and 59 plays.

He took active part in the people's revolution in 1969 and the Liberation War of 1971.

He is now serving in the Public Relations Department of the Pubali Bank Ltd.

## Chinese bankers predict boom in credit cards

BEIJING, July 19: Chinese bankers hope to issue more than 200 million credit cards by the end of the decade, ending Chinese consumers' traditional reliance on cash, an official newspaper said Sunday, reports AP.

Even Chinese businessmen are more apt to bring suitcases of cash to make major purchases or conclude deals than to use credit cards or checks.

The China Daily's Business Weekly quoted Li Ye of the People's Bank of China, the central bank, as saying development of the credit card industry is a "crucial step in modernizing the nation's financial industry."

By the end of 1993, Chinese held only about four million credit cards, the newspaper said. It said the central bank wants to raise that number to 200 million — or one for every six Chinese — by the year 2000, but did not explain how that could be achieved.

"The market is huge, the demand is great, the prospects are rosy," it quoted Li as saying.

Western credit card companies such as American Express, Visa and Mastercard have entered the Chinese market, while some Chinese banks also have issued their own credit cards.