

Saifur says

Prices of sugar, soyabean oil to be stable soon

Finance Minister M Saifur Rahman said here on Wednesday the prices of sugar and soyabean oil in the domestic market would come to a stable condition very soon, reports BSS.

Talking to a group of senior journalists at an informal chat at the state guest house "Padma", the Finance Minister described the slight increase in the prices of sugar and soyabean oil in the internal market as temporary.

He pointed out that the prices of these two items were showing an upward trend mainly due to their price hike in the international market.

The government, he said, had substantially reduced import duty on sugar and soyabean oil to keep the prices of these items within the reach of the common people.

About the Opposition demand for a caretaker government, the Finance Minister said the demand for such a government cannot be a precondition for taking part in a national election.

"Nowhere in the world such type of government exists in a durable and sustainable democratic atmosphere with an elected government in power," he pointed out.

Information Secretary, Dr Ekram Hussain, Finance Secretary, M Nasimuddin Ahmed and Chairman, National Board of Revenue, Dr Akbar Ali Khan were present on the occasion.

Vietnam denies illegal drilling of oil in South China Sea

BEIJING, July 20: Vietnam on Tuesday dismissed a statement by China it was drilling illegally for oil in the South China Sea and said the area was in Vietnam's waters, reports Reuters.

A spokesman for Vietnam's embassy in Beijing was asked to comment on a statement by China's Foreign Ministry which called the drilling, in an area Hanoi calls Tu Chinh Bank and Beijing calls Wan An Bay, illegal.

"It is our proper right to drill there," he said.

The Chinese Foreign Ministry statement said:

"Vietnam's drilling activities in this area have gravely encroached upon China's sovereignty and maritime interests. The Chinese government has demanded that the Vietnamese side stop the drilling activities immediately. The Vietnamese side shall be held responsible for the ensuing consequences."

The Vietnamese spokesman said that the area was about 60 miles (96 km) from the Vietnamese coastline and was within Vietnam's continental shelf.

He said drilling by a joint venture between Vietnam and a consortium led by US firm Mobil began earlier this year.

US House rejects attempt to make budget on spying public

WASHINGTON, July 20: The House of Representatives rejected an attempt Tuesday to make the government disclose how much it spends on spying, reports AP.

By a 221-194 vote, lawmakers defeated an amendment to the 1995 intelligence spending bill that would de-classify the total budget figure, but not amounts spent on specific programme.

"I think people understand there are things that have to be kept secret," said Rep. Larry Combest of Texas, the ranking Republican on the House Select Committee on Intelligence.

Opponents of the amendment argued that disclosure of the budgets for the CIA, Defence Intelligence Agency, National Security Agency and related agencies would aid America's enemies.

The Clinton administration and CIA Director R James Woolsey have opposed public disclosure.

But the amendment's co-sponsor, Intelligence Committee Chairman Dan Glickman said continuing to classify the figure — widely reported to be about 28 billion dollar — only deepens the suspicion that secrecy is necessary to protect a budget that otherwise cannot be defended.

Rehabilitation of sick units made mandatory

Star Report

A meeting of the high level government officials recently made the recommendations of the Review Committee regarding rehabilitation of the sick industries mandatory for the banks and financial institutions, sources said.

The meeting held at the Prime Minister's office late last month was attended by M Mokammel Huq, Executive Chairman of the Board of Investment (BOI), Deputy Governor of the Bangladesh Bank Mahbubul Amin Khan, Joint Secretary of the Finance Ministry Dr M A Mobin, Deputy Secretary Dr Mojibur Rahman, FBCCI president Mahbubur Rahman and the high ups of banks and financial institutions.

It also decided that the sponsor banks of the sick units would take measures as per the recommendations of the Review Committee within 180 days of making such recommendations.

The meeting asked the entrepreneurs of sick units which were identified by the Sick Industries Revival and Rehabilitation Cell to contact their financing banks with applications for rehabilitation within 90 days of issuance of the circular.

The units, which were in the meantime suggested by the Review Committee for communicating with their banks, were also asked to do so within 60 days of issuance of the circular.

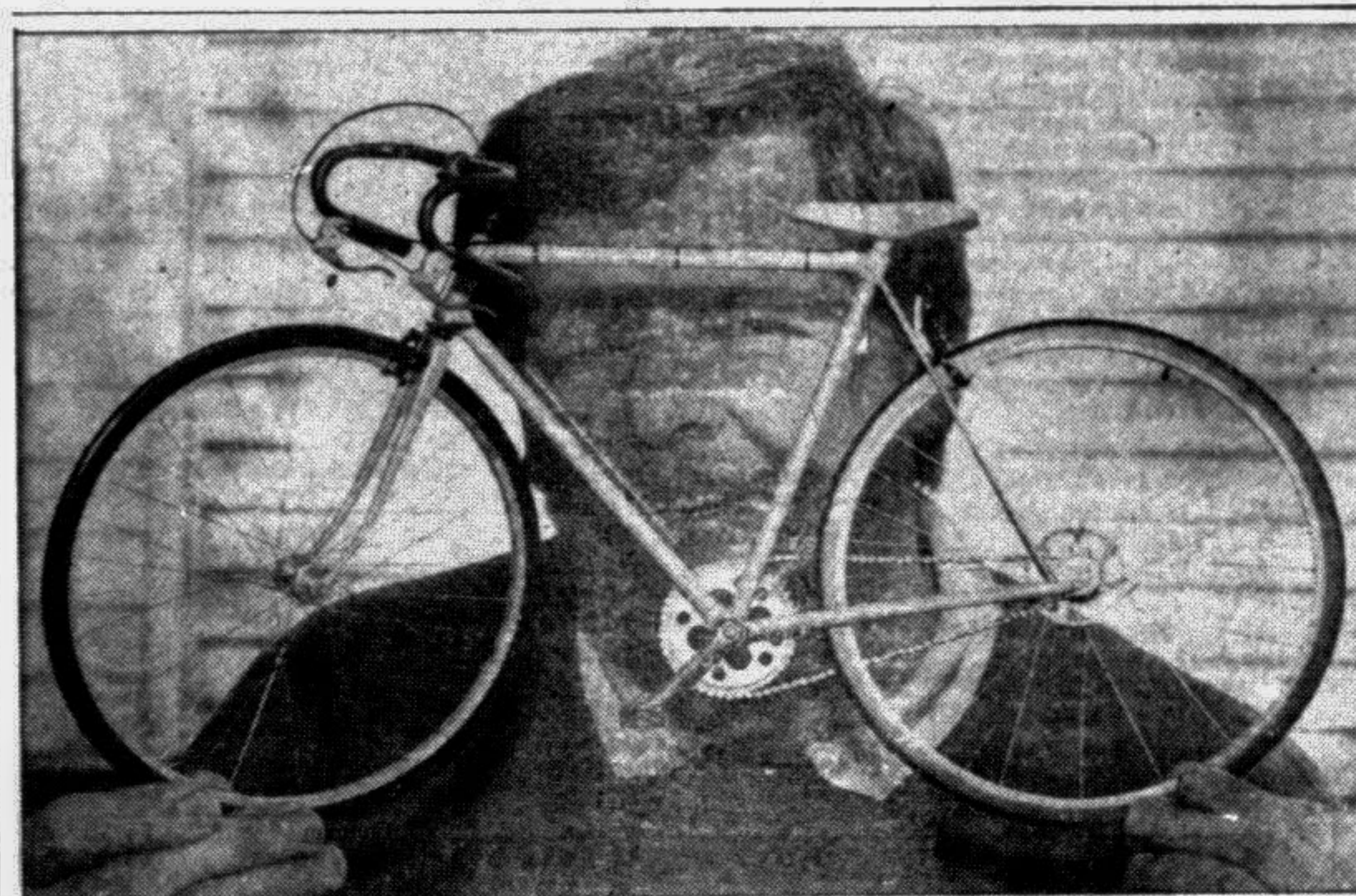
The Sick Industries Revival and Rehabilitation Cell (SIRRC), which was formed sometime in 1991, identified some 1556 industries of the country as sick and made some recommendations for their rehabilitation.

The SIRRC also identified the reasons of their sickness and suggested a permanent arrangement should be made to ensure congenial atmosphere

for the industries, so that industries may not become sick in future.

The recommendations of the Cell was, however, ignored by the Finance Ministry as it felt that the rehabilitation should be on a bank-client-relationship basis. The government can make simply a call to the banks to consider the cases of the sick industries and rehabilitate on their own decision. A Review Committee was also formed by the government to consider the cases of those units which were denied by the banks of funds for rehabilitation.

The Review Committee was given the authority to recommend for specific industrial units considering their viability and reasons for sickness. In most cases, the recommendations of the Review Committee were not, however, followed by the banks as those were not mandatory for them.



Australian wood carver Leigh Adams holds his hand-crafted, quarter-scale racing bike on Tuesday which took 300 hours to make. Adams constructed the bicycle entirely from ebony, beech and maple wood, right down to the links on the chain, for the Sydney Timber and Wood Show July 22-24.

— AFP photo

Criticism voiced on ADB plan for Indo-Malaysia-Thai growth zone

MANILA, July 20: Officials voiced reservations Wednesday about an Asian Development Bank plan for a regional development zone including Indonesia, Thailand and Malaysia, reports AP.

A three-day meeting on the proposal opened at the Manila headquarters of the regional development bank.

The proposed growth triangle would encompass Aceh and North Sumatra in Indonesia, northern Malaysia and southern Thailand. It is designed to enhance trade and commerce in the region, which is home to about 21 million people.

In his opening address, ADB President Mitsuo Sato defended the study and the overall concept.

"The preliminary study indicated the potential benefits of regional economic cooperation in the Indonesia, Malaysia, Thailand growth area will be tremendous," Sato said.

He said the zone would help the three countries maintain their global export competitiveness.

Among other things, the plan calls for relaxing immigration restrictions to enable residents of the zone to work abroad and coordinating infrastructure development.

That in turn is expected to reduce labour, transport and material costs and encourage development of regional industries, Sato said.

But Phisit Pakkasem, secretary-general of Thailand's National Economic and Social Development Board, said the study contained so many factual errors that it might result in misleading analysis as well as improper formulation of proposed policies and projects.

Phisit said the study failed to mention how the programmes would be funded. He said private sector opportunities in Russia meagre.

MOSCOW, July 20: Foreign investment in Russia amounts to only 2.5-2.7 billion a year, well below the 10-15 billion needed, Prime Minister Viktor Chernomyrdin said on Tuesday, reports Reuters.

"This is a miserly sum," he told the Rabochaya Tribuna newspaper in an interview.

Chernomyrdin, who heads the government's new Consultative Council on Foreign Investment, said measures were being taken to increase the flow of foreign capital to Russia by adopting new legislation and changing the tax system.

He discussed the plans with Western business representatives last month. The government also expressed interest in several infrastructure projects at the meeting, he said.

These included airport reconstruction in several major Russian cities as well as new toll roads from Moscow to the Polish border.

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EU running out of money to help Rwandan refugees

BRUSSELS, July 20: The European Union said on Tuesday it was running out of money to help Rwandan refugees and planned to ask African, Caribbean and Pacific (ACP) countries if it could divert 184 million dollars of existing EU aid.

European Commission spokesman Xavier Prats said talks had begun with ACP representatives to release money from the EU's 3.1 billion annual budget for the 70 ACP countries, which are linked to the EU by a trade and aid accord.

Prats said the exceptional appeal was because the EU's fund for humanitarian aid was fast running out.

The commission has decided to ask ACP countries for a show of solidarity to help with a dramatic problem, which is without precedent, in an African country. It's the first time that we have asked for extra money precisely because the problem is unprecedented.

"We hope to have a positive result (from the talks) within the next few days," Prats said.

Sonali Bank earmarks Tk503cr as loan for '94-'95

By Staff Correspondent

Sonali Bank has earmarked Tk 503 crore as loan for agricultural and rural investment sectors in the current fiscal year.

The money will be disbursed in the country's 1104 unions through 945 bank branches.

According to a recent report of the bank, it has been decided to invest more in productive sectors for creating job opportunities in the country. In the report it was disclosed that the bank had sanctioned Tk 632.80 crore as loan for 1292 industrial units in the past five years. It is expected that these industrial units will provide employment to at least 44,490 persons.

Under the special investment programme, the bank has sanctioned more than Tk 20 crore in only last 15 months. The special investment programme was started from June 1993. The loan disbursement activities have been expanded to its 150 branches all over the country. Earlier, these types of loans were given only from 73 branches.

The annual statistics of the sanctioned loans are: Tk 30.72 crore in 1989 for 111 industrial units, Tk 23.90 crore in 1990 for 83 units, Tk 51.92 crore in 1991 for 92 units and Tk 72.13 crore in 1992 for 175 units.

According to the report, in 1993 and 1994, the industrial sector got the highest amount of loans from this nationalised bank. It had sanctioned Tk 454.13 crore for 831 industrial units in those years.

Under the special investment programme, more than Tk 17 crore has been sanctioned for 2172 projects of poultry, cattleheads firms and fisheries.

The entrepreneurs showed the maximum interest in cattlehead farming sector. In that sphere Sonali Bank has given loan of more than Tk 11 crore for 1172 projects.

It was also mentioned in the report that 28 branches have already received back cent percent of recoverable loans.

Germany's internal deficit shrinks to \$4.9b in first half of this yr

FRANKFURT, July 20: The Bundesbank announced a shrinkage in Germany's internal deficit to 7.5 billion marks (4.9 billion dollars) in the first half of this year, compared to 23 billion in the same period last year, reports APF.

The central bank, in a report to be published Thursday, attributed the reduction to its own increased profits in 1993, which were transferred to the treasury in April of this year, and an exceptional increase in tax revenues at the start of the year.

It warned however that the federal deficit was predicted to be 69.5 billion marks for the full year, or 58.5 billion if the Bundesbank profits were taken into account, compared with 61 billion in 1993.

The report also said unemployment dropped steadily in both the west and east of the country, although it said "this will apparently not prevent a limited increase in unemployment in the couple of the year."

Lobbying for monopoly business of cellular telephones alleged

An influential quarter within the government is lobbying for monopoly business of cellular telephones, official sources said.

They told PROBE news agency that the Ministry of Law has objected to the 'monopoly business' by a particular company as the government is pledge-bound to continue the process of deregulation. Besides, such steps would discourage local and foreign investment in the country.

The Teleph & Telephone Board was under pressure from the influential quarter which argues that it found no reason to disallow a private company to do monopoly business when the T&T itself is doing so.

With a counter-argument some officials said the Board has already started the process of ending its monopoly. The Cabinet on Monday endorsed an amendment to the Bangladesh T&T Board Ordinance, 1979 to open telecommunication sector to private investment.

The sources said former President H M Ershad had permitted one of his close associates to do the cellular

telephone business in the capital city for five years. Bangladesh Telecom Limited, local agent of Hong Kong-based Hutchison Company, signed an agreement to this effect in 1989.

But after some days, the T&T Board scrapped the agreement complaining of gross violation. BTL filed a case with the court that continued for one and a half years during which the Ershad government was toppled through an upheaval.

The owner of BTL, H M Musa, found it difficult to stay in the country and continue the business. The ownership changed hands and a former treasurer for Jatiya Party came at helm of affairs.

The new owner managed to overcome all the 'troubles' allegedly with the help of some officials of the Prime Minister's office. Meanwhile, the court gave a favourable verdict and BTL-Hutchison resumed its business in full swing.

According to the verdict, the five-year agreement is to expire on July 25 but, the sources alleged that the vested quarter was trying to extend the time of its validity on the

plea that the company could not do any business for one and a half years.

The T&T Board put forward the matter to the concerned ministry which sought the opinion of the Law Ministry. The Law Ministry stuck to the court's verdict, saying the agreement is valid up to July 25, 1994.

An official of Chartered Bank said a cellular telephone set, which sells at 172 pounds of Tk 14-15 thousand in London, is selling here at a much higher rate. A set, which is worth 700 dollars in Pakistan, sells in Dhaka at three to three and a half thousand dollars.

Following press reports, Hutchison reduced the price of a set from Tk 80,000 to 40,000 and from Tk 90,000 to 70,000. No explanation was given for the reduction. Initially, a cellular telephone set was sold at Tk 1.5 lakh.

Besides paying a certain amount of Tk every month, a subscriber has to pay Tk 10 per minute each for making and receiving a call through cellular telephone set. The charge for a call from one cellular telephone set to another is Tk 20.

US trade deficit hits \$9.17b

WASHINGTON, July 20: The US trade deficit rose more than expected in May to hit 9.17 billion dollars, spurred by a third month of record imports, the Commerce Department announced Tuesday, reports APF.

Most analysts had expected a deficit in the range of 8.7 billion dollars up from a revised figure of 8.5 billion dollars in April.

The increase in May totalled 7.6 per cent, the department said. Higher oil prices pushed up the US oil bill by 339 million dollars, as clothing, iron and steel and telecommunications imports also rose.

Excluding oil purchases, the deficit would have totalled 9.15 billion dollars against 8.69 billion in April.

The larger trade deficit this year has pushed down the dollar, which hit post-World War II lows this month against the yen and dropped sharply against the German mark.

This will eventually help the US economy because US buyers will shun more expensive imported goods for cheaper American products, but it takes time for buying patterns to adjust and a low dollar generally means a spurt in the trade deficit.

Investors have dumped the dollar because of their belief that President Bill Clinton's administration has failed in getting Japan to open its markets.

The US trade deficit with Japan actually shrank by 19.9 per cent to total 4.39 billion dollars. But still the US deficit with Japan remained the largest of the US trade partners and Japanese trade figures released for June show

that the US deficit may rise.

The United States had a surplus with Mexico of 353 million dollars. Exports to the United States' southern neighbour soared to 4.38 billion dollars on the strength of the North American Free Trade Agreement (NAFTA) which went into effect on January 1.

The US deficit with the European Community totalled 988 million dollars, up from 151 million dollars in April.



M A Samad, Chairman & Managing Director, Bangladesh General Insurance Co. Ltd. (BGIC) speaking at a function on Monday organised by Islamic Bank (BD) Ltd for the meritorious students of Dhaka University.

Private investment may slow down in Third World

WASHINGTON, July 20: World Bank President Lewis Preston said Tuesday that a huge flow of private money to Asia and Latin America is cutting the need for loans from his bank, but the picture could change if private investment slows down, reports AP.

"We're living in a period where the interest rates of the industrial world are about as low as they've been since World War II, and greed being what it is, the investors are going abroad," Preston said.

"They may come back to the industrial world."

World spoke at a briefing to celebrate the 50th anniversary of the bank. It was formed after an international conference at Bretton Woods, NH, in July 1944. Owned by 177 governments, its mandate is to help reconstruct and develop the economies of member countries.

Armenie Choksi, a bank vice-president, pointed out that Venezuela had "graduated" from the bank and then had to return to borrow from it.

"Those things happen," Choksi said. Countries "graduate" — that is, they are told to start depending on private money — when a citizen's

average income rises above \$4,715 a year.

The bank issued an anniversary report laying out policies for the future.

The report, "Learning from the Past, Embracing the Future," said the bank intends to be more selective in its projects, join in more partnerships, respond more to the real needs of its clients, maximize its impact on development, and cut costs while still maintaining its high standing in financial markets.

Along with its vision of leaner lending and more carefully crafted policies, the report said the bank expects to make available another \$100 billion over the next decade.

Preston said the bank's main concern is the world's 1 billion people who live on less than a dollar a day.

"We have to anticipate enormous change in some of the bank's activities," Preston said in an interview prior to the briefing.

Critics quickly attacked the report and Preston's banker's-eye view of the world.

Preston has prescribed for the bank an expanded role as global development strategist. But any objective look at the havoc that his institution has wrought would lead one to conclude that its operations

and power must be significantly cut back," said Doug Helling of the Fifty Years is Enough Campaign.

The campaign, a group of environmental and other organizations, accuses the bank of allowing its projects to destroy the environment while "shoving aside the poor."

Preston said he is not concerned that the bank's loan portfolio could shrink.

"If we're successful, it will go down," he said. A sign of a possible trend came this year when bank lending for its fiscal year ending June 30 dipped to \$20.8 billion, the lowest since 1990. Bank

economists cited the greater availability of money from private banks and investors.

Preston said his bank's role will shift from a financial one to more of an advisory one in the booming Latin American and East Asian regions.

But in South Asia and Africa, "It's likely that the need for our financial contribution is going to increase."

In Eastern European and other economies in transition from communism to capitalism, the bank will take both an advisory and financial role, with its lending program serving as a catalyst for private investment, he said.



New executives of Jiban Bima officers' welfare association

Md. Showkat Ali and Jahan-gir Chaklader have been elected unopposed as President and General Secretary respectively of Jiban Bima Officers' Welfare Association recently, says a press release.

A 31-member Executive Committee has also been elected unopposed.

The President and the General Secretary were elected unopposed for the third time.

NBL offers speedy int'l money transfer services

National Bank Limited has recently signed an agreement with Western Union Financial Services Inc. USA which has extensive network worldwide and are well known for speedy fund transfer services, says a press release.

Under the agreement money can be remitted through the offices of Western Union Financial Services Inc and its more than 24,000 agents located throughout 75 countries of the World including the USA, UK, Canada, Australia, Europe, Asia, the Pacific, Central and South America, Mexico and the Caribbean with effect from 18th July, 1994, to beneficiaries in Bangladesh.

Initially five branches of National Bank Limited, namely Foreign Exchange Branch, Dhaka, Dilkusha Branch, Dhaka, Agrabad Branch, Chittagong, Sylhet Branch, Sylhet & Feni Branch, Feni, will pay the beneficiaries in cash or by credit to their account instantly.

The leader in the International Money transfer, Western Union Financial Services Inc's money transfers are fast and dependable for sending cash to anyone travelling for business and to family, friends and other individuals in Bangladesh.

Bangladesh community living abroad can now approach any of the agent's location world-wide of Western Union Financial Services Inc and simply fill up a Form and deposit the same along with the money to be remitted. The agent will promptly remit the money to any of the above branches of National Bank Ltd. and the beneficiary of the remittance shall be able to pick up immediately the money in Bangladesh Taka from the branch where the money has been sent.

It is hoped that the Bangladeshi community in USA will particularly benefit from the arrangement because at present there is no satisfactory remittance facility available.

National Bank Limited is a major player in remittance services and has set up arrangements with various banks and financial institutions world-wide for speedy and efficient transfer of funds.