

**Spanish fishermen
block French
port**

HENDAYE, France, July 26: Spanish fishermen in about 20 boats blocked this southern port Tuesday in a simmering dispute over the use of long nets by their French competitors, reports AP.

The protest follows several days of sometimes violent face-offs between the two groups. The Spanish, who fish with lines and poles, promised to shut down ports along the coast to protest what they said was a lack of action.

The boats from Guipuzcoa and Galicia dropped anchor at the mouth of the Bidasoa River early Tuesday and stretched a steel net between them, blocking fishing and pleasure boats.

Spanish fishermen demanded their government take action that was "more firm and more in our favour," said a spokesman on condition of anonymity.

**US foreign investments
remain high in early '94**

NEW YORK, July 26: US investors poured more money into overseas financial markets in the first quarter of 1994, even though the global investment climate deteriorated, an industry group reported Monday, reports AP.

American investors bought a net 17.8 billion dollars in foreign stocks — after subtracting sales — in the first quarter of 1994, the Securities Industry Association said. That was down from the record 20.9 billion dollars in the final 1993 quarter but up sharply from the year-ago total of 8.4 billion dollars.

US purchases of foreign bonds, meanwhile, were virtually unchanged from the previous quarter's total of 11 billion dollars. But they were down from 19.3 billion dollars in the

first quarter of 1993.

More than half of US net purchases of foreign stocks and bonds were of Japanese securities, the group said.

Many financial markets around the world have been buffeted by price volatility this year, a reflection of the uncertain global economic climate, the dollar's plunge against foreign currencies and other influences.

David Strongin, vice president of International Finance for the Securities Industry Association, said an attempt by investors to diversify their portfolios helped sustain sales in stock markets of emerging nations despite a sharp first quarter drop in many of those markets.

Domestic stock and bond

markets, meanwhile, were battered by the Federal Reserve Board's decision to start raising short-term interest rates in early February.

For their part, foreign investors bought about 6.3 billion dollars in US stocks in the first quarter, down from 12.2 billion dollars in the final 1993 quarter but up from 5.4 billion dollars the year-earlier quarter.

Contributing to the decline from the previous quarter, Japanese investors sold more US stocks than they bought for the first time in two years, the group reported.

In addition, the Japanese sold a net 1.6 billion dollars in US government bonds, down sharply from 6.5 billion dollars in net purchases in the final 1993 quarter.

**Zahir for
expansion of
small-scale
industries**

Industries Minister M Zahiruddin Khan Monday underlined the need for expansion and promotion of small-scale industries in order to accelerate the pace of industrialisation and economic uplift of the country, reports BSS.

He was speaking as chief guest at the biennial general meeting of Bangladesh Polytechnic Small Industry Factories Owners and Traders Association in the city at Lalbagh Shayesta Khan Kalyan Kendro.

Food Minister Mir Shaukat Ali and Dhaka City Corporation Mayor Mohammad Hanif also spoke on the occasion as special guests.

Presided over by President of the association Abu Motalab, the meeting was also addressed by President of the Federation of Bangladesh Chambers of Commerce and Industries Mahbubur Rahman.

Industries Minister said, present government is providing all helps to expand and develop small-scale industries. As a result, about four thousand small industries have been functioning and one lakh seventy thousand new employments created there.

Food Minister said, present government always welcomes the constructive criticism and suggestion to resolve various problems facing the nation. He stressed the need for proper patronisation for development of small-scale industries like polythene which does not pollute environment.

Mayor Hanif said, oppositions have to extend whole hearted support and cooperation to the government in implementing people's welfare programmes. He reiterated to ensure mosque and violence free Dhaka city and sought government help in this regard.

**Tk 4.6 cr addl EU grant
for cyclone protection**

European Commission has an additional grant of 1,000,000 ECU (Taka 4.6 crore) for the cyclone protection programme in Bangladesh, says a press release.

A formal agreement between Bangladesh and European Commission will be signed soon to mobilise the additional grant.

The grant will supplement EC's original contribution of 2,500,000 ECU (Taka 11.5 crore) towards the supervision of works and related environmental programmes and social impact assessment for the cyclone protection priority works programme in Bangladesh.

The money is being given under the European Union's development assistance pro-

gramme for Asia and Latin America.

**Strong yen
hits Japanese
exporters**

TOKYO, July 26: Ninety-seven per cent of Japan's small and medium-sized exporters are suffering from the recent appreciation of the yen, the Ministry of International Trade and Industry said Monday, reports AFP.

The ministry said a survey of 700 exporters last month showed that 65 per cent of companies have already been adversely affected by the strong yen while 32 per cent where bracing for foreign-exchange losses.

This programme is designed to repair devastation caused by the 1991 cyclone. Most of the coastal embankments and associated structures damaged or destroyed at that time have been or are now being reconstructed under funding of the World Bank, Japan and Saudi Arabia.

As the programme extended in duration and coverage, further detailed investigations have become necessary into the social and environmental impact of the works.

The supplemental EU grant will pay for these further studies and for additional supervisory capacity in order to guarantee the high quality of the works and ensure that this vital project is satisfactorily completed.

**State Minister
for Finance
visits BSRS**

State Minister for Finance Mojibur Rahman visited the head office of Bangladesh Shilpa Rin Sangstha (BSRS) yesterday, says a press release.

He met Al-Ameen Chaudhury, Managing Director, BSRS, the Legal Adviser and other senior executives to review the operations of BSRS.

During the meeting, he reviewed the sanction, disbursement and recovery performance of BSRS for the last few years. He observed that during FY 1992-93 the sanction, disbursement and recovery of loan by BSRS stood at Tk 2, Tk 5 and Tk 22 crore respectively. Against this during the FY 1993-94, the BSRS sanctioned, disbursed and recovered loan of Tk 6, Tk 4 and Tk 34 crore respectively.

While reviewing the progress of legal actions initiated by BSRS against the defaulting borrowers, he expressed dissatisfaction at the slow progress in disposal of a number of court cases and instructed for expeditious disposal of the court cases.

He observed that during FY 1993-94 BSRS recovered an amount of Tk 34 crore from its assisted projects which is 55% higher than the previous financial year and 48% higher compared with the recovery position of last three financial years. He however expressed his satisfaction at the significant improvement in the recovery performance during FY 1993-94 and advised the BSRS officials to sustain clear efforts for recovery of loan.

**Bombay stocks
reviewed**

BOMBAY, July 26: Thin volumes and narrow movements characterised trading on the premier stock exchange yesterday and trading activity was focused in non-specified list, reports PTI.

The behaviour of market is reflected in the index, which moved in a restricted range between 4113.88 and 4086.86. The sensitive index finally ended at 4106.65 compared to 4103.35 at the last weekend. The national index edged up marginally from 1944.53 to 1946.69. The BSE-200 and dollex finished at 485.56 and 257.70 as against 485.14 and 257.48 previously.

There was no inclination on part of brokers to enlarge commitments in the speculative shares while trading in cash shares were brisk. The frenzied buying has lifted prices of several shares to mindboggling level and shares which were traded at discount earlier, were traded at some premium. The market operators, general investors and foreign investors were picking up fundamentally strong shares from this group. Trading in forward section is unlikely to improve till the benami shares issue is resolved.

After a subdued start, industrialists moved narrowly either way and finally concluded with small variations on both sides. With activity shifting to non-specified list, the business volumes in forward section has been dwindling on day to day basis.

Pivotal like Reliance, Tisco, Acc, Asian paints, Bombay dyeing, Grasim, Sterlites, Zuari, JK Industries, Straw and Hindalco recorded small gains while shares of Apollo tyre, Britannia, Eskayef, Essar Gujarat, Glaxo, H. Lever, Larsen, Pfizer, Prem Auto, T. Power and Voltas suffered losses.



State Minister for Finance Mojibur Rahman visited the head office of Bangladesh Shilpa Rin Sangstha (BSRS) in the city yesterday. Al-Ameen Chaudhury, Managing Director of BSRS, is seen on the right of the State Minister along with other high officials.

**Asian stock markets
close mixed**

HONG KONG, July 26: Asian stock markets closed generally mixed Tuesday, with share prices edging up in Tokyo after three days of declines, reports AP.

Tokyo's 225-issue Nikkei Stock Average gained 47.71 points, or 0.24 per cent, closing at 20,345.37. On Monday, the benchmark index had shed 165.23 points to 20,297.66.

The rebound followed a three-day decline in which the Nikkei average had fallen a total of 483.10 points, or 2.3 per cent.

The Tokyo Stock Price Index of all issues listed on the first section was up 0.99 points, or 0.06 per cent, to 1,622.78. It had slipped 16.07 points to 1,621.79 the previous day.

The strength of the US dollar against the Japanese yen and buying by public funds and other institutions outweighed selling by foreign investors, traders said.

The dollar finished at 98.70 yen, up 0.23 yen from Monday's Tokyo close but just below its overnight New York level of 98.75 yen.

In Hong Kong, share prices closed generally higher for the third straight session.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 19.74 points, or 0.2 per cent, closing at 9,194.36. On Monday, the index had climbed 21 points.

WELLINGTON: New Zealand share prices closed little changed in moderate trading. The NZSE-40 Capital Index

slipped 0.93 point to 2,020.35.

TAIPEI: Share prices closed higher for the third straight session, with the index ending at a four-year high. The market's Weighted Index rose 39.22 to 6,727.22.

MANILA: Share prices closed lower in active trading after two days of sharp gains. The Philippines unified composite index of 31 selected issues fell 42.99 points to 2,728.52.

SEOUL: Share prices closed lower in moderate trading. The Korea Composite Stock Price Index fell 3.92 points to 935.20.

SYDNEY: Australian share prices closed slightly lower in what brokers described as spiritless trading. The All Ordinaries fell 7.0 points to 2,041.3.

SINGAPORE: Share prices closed slightly lower in thin trading. The 30-share Straits Times Industrials Index fell 6.22 points to 2,206.04.

BANGKOK: Thai share prices closed lower on the first day of trading after a three-day weekend. The Stock Exchange of Thailand index fell 1.56 points to 1,346.50.

KUALA LUMPUR: Malaysian share prices closed slightly higher after early gains were eroded by profit-taking. The Kuala Lumpur Stock Exchange's rose 3.93 points to 1,008.31.

JAKARTA: The stock exchange's Composite Index fell 0.757 points, closing at 454.358.

**Iranian MPs want
to limit foreign
borrowing to 25 pc**

TEHRAN, July 26: Members of Parliament, wary of Iran's foreign debt problem, want to limit foreign borrowing to 25 per cent of the country's hard cash revenue, a leader of a panel reviewing the draft of Iran's next five year plans says, reports Reuters.

The first plan which ran out on March 20 allowed the government to use a total of 27.6 billion dollars in foreign credit.

**Foreign investment approvals
jump to record high in Jakarta**

JAKARTA, July 26: Foreign investment approvals by Indonesia jumped in the first seven months to a record high despite a spate of unrest in the country and increased competition for funds from China and Vietnam, bankers said, reports Reuters.

Indonesia approved a record 14.1 billion dollar for the first seven months this year compared with a mere 4.8

billion dollars in the same 1993 period. Investment Minister Sastrowardoyo said at a meeting on investment coordination on Monday.

"The strength of it (investment) surprised me, but the overall direction did not," Lim Sey Boon, research head of Standard Chartered Indonesia, told Reuters.

He said concern about Indonesia losing out on in-

vestment to China and Vietnam was viewed as greatly exaggerated.

Indonesia was alarmed when foreign investment fell to a low of 8.14 billion last year after soaring to a record high of 10.32 billion dollars in 1992.

"This is what we have been waiting for," said Wibowo Ngaserin, a director of Prima Express Bank.

But he said violent labour riots in the industrial town of Medan in Sumatra could have impacted on investments from neighbouring countries, especially Malaysia.

Investments from predominantly Chinese Singapore were reported to have fallen in the first six months of this year due to the Medan riots where ethnic Indonesians demanded higher wages from their Chinese employers.

One ethnic Chinese businessman was killed and property belonging to the community damaged in the riots.

Indonesia saw another but of unrest in June when protesters took to the streets against a ban on three popular magazines which were giving unprecedented coverage of controversial activities of senior serving and former ministers.

"The figures rose above 1993 levels and exceeded even the record number of foreign investment approvals in 1992...and we still have five months to go," said Sastrowardoyo.



Decorators' Owners Association held a meeting at the Jatiya Press Club in the city yesterday. — Star photo

**19 new varieties
of seeds
launched**

The National Seed Board at its 32nd meeting held at the conference room of the Agriculture Ministry in the city yesterday released 19 new and modern varieties of seeds of different crops, reports BSS.

The new crop seeds include six varieties of rice, two of sweet potato, three of potato, three of mustard, two of barley, one of gram, one of mung and one variety of mash kauli.

Presided over by the Agriculture Secretary M. Akhtar Ali, the meeting decided to multiply the seeds and then distribute them to the farmers for large scale cultivation.

The six new varieties of rice developed by Bangladesh Rice Research Institute (BRRI) are BRRI-Dhan-27, 28, 29, 30, 31 and 32.

Bangladesh Agricultural Research Institute (BARI) developed Bari Sweet Potato-4 and 5, Bari Potato-13, 14 and 15, Bari Mustard-6, 7 and 8 and Bari Barley-1 and 2.

Bangladesh Institute of Nuclear Agriculture (BINA) developed Bina Gram-2, Bina Mug-2 and Bina Mash-1.

**Malaysian co to
develop oil palm
plantation in
Indonesia**

KUALA LUMPUR, July 26: Malaysian-based Tradewinds (M) BHD is using a palm-oil tie-up with Satia Dinamis Corporatama of Jakarta to expand its business in Indonesia, company officials said today, reports AFP.

Tradewinds, listed on the Kuala Lumpur Stock Exchange under the consumer products sector, is taking a 56 per cent stake in the joint venture project to develop 15,000 hectares (37,500 acres) of oil palms in Pulau Bangka, Indonesia.

The project, the development of which is estimated to cost 100 million ringgit (40 million dollars), is expected to generate revenue of 583 million ringgit (233.2 million dollars) over 25 years, company officials said.

"This marks Tradewinds' entry into Indonesia, which is chosen for the group's first venture in an oil palm plantation overseas in view of the higher returns made possible by lower development costs," said company secretary Rohaya Hashim.

Investors give Mexico vote of confidence despite poll jitters

MEXICO CITY, July 26: Many American and Canadian businesses have cast a vote of confidence in Mexico as a presidential vote approaches. But markets are jittery over worries that a post election crisis could erupt, reports AP.

Cross-border trade is rising and foreign investors are entering Mexico through joint ventures just weeks ahead of the Aug 21 election, which will replace President Carlos Salinas de Gortari.

Yet some businessmen are fearful, the Institutional Revolutionary Party, winner of every presidential vote since 1929, might not allow a clean election as promised — or that disturbances could erupt if the outcome is still unclear.

"The jury is still out on the elections and we can see that in the markets," said Tamzin Hobday, a Latin America strategist at the global invest-

ment firm Baring Securities in New York.

Mexico's stock market fell 13.07 per cent in the first half of 1994. A \$13.34 billion American investment in the Bolsa shrank to \$12.86 billion during that period, underscoring the nervousness.

But Hobday said Mexico's long-term investment and growth potential is high, thanks to a Mexican free-market overhaul and the advent of the North American Free Trade Agreement with the United States and Canada.

NAFTA took effect on Jan. 1, the same day armed Indians kicked off a troubled election year with a rebellion in southern Mexico.

The PRI's first presidential candidates, Luis Donaldo Colosio, was shot dead in Tijuana on March 23. Two millionaire businessmen were kidnapped, one since freed.

Drug lords are battling with bombs. Rebellion still simmers.

As a result, foreign investors have snapped up more than 11 billion dollar in Mexican treasury bills denominated in US dollars, rather than pesos, as a hedge against any possible erosion of the Mexican currency.

So far the peso has held, and many of Mexico's free trade partners are betting this growing consumer market of 82 million people will ride out any election turmoil within days of weeks.

Salinas turned Mexico around from a 1980s economic crisis by slashing debt and high inflation, imposing tight monetary policies and selling off 1,100 inefficient state businesses.

Earlier this month Foreign Secretary Manuel Tello called NAFTA "an enormous achievement for all three na-

tions," saying trade with Canada and the United States will top \$3 billion this year and is rising.

Every week brings new announcements of post-NAFTA dealmaking. In early July alone

— American network NBC said it will begin a programming and technical alliance with fast-growing independent Television Azteca.

— USAir and Mexican announced a plan to coordinate flight connections and frequent flyer promotions.

— Canadian brewer John Labatt Ltd. announced a \$150 million plan to buy 22 per cent of the brewer Pabst.

— The reforms by the Mexican government have po-

sitioned that country for sustained long term growth," said Paul Volcker, a former Federal Reserve Board Chairman, who consulted on the Labatt venture.

"As the elections approach, clearly there is concern in the marketplace," said Lawrence Goodman, a Salomon Bros. economist in New York. "But after the elections, the cloud of uncertainty will surely lift."

Millions of Mexicans are poor and struggling. But the icons of consumer culture continue to arrive in the form of Wal-Mart and Kmart stores, fast food outlets and lines of trucks at the border hauling goods for Mexico.

A Mexican economy that is barely growing in 1994 is expected to rebound next year while inflation remains below 7 per cent.

Ernesto Zedillo, the frontrunner as Colosio's replace-

ment, predicted that investor nervousness will evaporate soon after the election.

"We're going to see substantially different conditions in the financial and the foreign exchange markets," Zedillo told The Associated Press.

Zedillo is closely dogged in the polls by Diego Fernandez de Cevallos, of the conservative National Action Party, whose free-market economic programme is considered an acceptable alternative by most investors.

Many investors fear Cuauhtemoc Cardenas of the left-leaning Democratic Revolutionary Party, but he is running a distant third. Goodman said that has largely eliminated the Cardenas "risk factor."

Nonetheless, up to 35 per cent of voters are undecided and could provide an election day surprise.