

Private sector needs politically supportive climate, says Saifur

Finance Minister M Saifur Rahman said in the city yesterday politically supportive climate was the foremost important factor for private sector growth and investment.

Organised by the DCCI, German Federation of Small Business (ZDH), and Singapore based Technocrat Asia the two day seminar was addressed, among others, by the German Ambassador Dr Jurgen Gehl, and representatives from DCC and FBCCI.

State Minister for Civil Aviation and Tourism Abdul Mannan, members of the business communities, bankers,



M Saifur Rahman, Minister for Finance, is seen delivering inaugural address at a seminar on 'Private Sector Growth: Creating a Conducive Environment'...

The macro-economic stability achieved so far will be of no use for private sector growth and large scale foreign and local investment if irresponsible behaviour on the part of a section of the opposition parties continues.

Foreign investors are often frightened at the disruptive political situation. Like macro economic stability, political stability must be restored to create conducive environment for healthy private sector growth.

Rahman pointed out the lengthy and cumbersome bureaucratic and judiciary procedures as another discouraging factor for private sector growth and said administrative and judiciary reforms are essential to simplify the whole procedure.

The Finance Minister urged the bankers to be more service-oriented and simplify their loan disbursement procedure to encourage small and medium scale investors.

representatives from various chambers, industrialists, diplomats, entrepreneurs were present at the seminar.

Referring to the frequent hartal calls by the opposition the Finance Minister regretted that it has become a practice of the oppositions for the last few months to call hartals when important foreign investment missions are on visits or in the hours of launching

any massive development projects like Jamuna Bridge Project.

Termining such behaviour of the oppositions the most responsible and unpatriotic the Finance Minister said, character people, members of the business community and entrepreneurs should come forward to bring sanity to the otherwise self seeking politicians.

China's farmland shrinking fast

BEIJING, Aug 27: As cities sprawl and industries sprout throughout the nation, China's already scarce farmland is shrinking further...

By the end of the year, China will have lost another 2.5 per cent of its arable land, as farmland shrinks from 110.7 million hectares (273.4 million acres) to 108 million hectares (266.8 million acres).

The Agriculture Ministry has warned that because China's population is growing by 16 million people a year, the nation needs at least 110 million hectares of land to produce an adequate supply of grain for its 1.2 billion people.

Declining output of grain and other key commodities has led the central government to issue notices urging local governments to ensure adequate food supplies and to encourage peasants to produce more.

The government also has warned against levying illegal taxes and other such 'burdens' on farmers, who must pay rising costs for the supplies needed to grow crops but may not be able to pass those costs onto consumers due to government-mandated price controls.

China has lost at least 10 per cent of its arable land to urban and industrial construction during the past 15 years of economic reforms.

Tk 463.47 cr allocated to implement 57 projects

Agriculture Ministry will implement 40 investment and 17 technical assistance projects during the current financial year, reports UNB.

This was disclosed at a review meeting of Annual Development Programme of the Agriculture Ministry held at the Conference Hall of the ministry yesterday.

The meeting was informed that the present rain and extended irrigation facilities will be helpful to minimise the extent of damage of different crops due to drought.

The meeting was informed that Taka 463.47 crore has been allocated to implement these 57 development projects of the ministry during the period.

The Agriculture Minister emphasised on release of proposed fund from different agencies as soon as possible to implement all projects within the scheduled time.

He instructed the concerned officials to take appropriate initiatives regarding quick fund release.

The meeting also discussed the drought situation and its adverse effects on 36 northern districts of the country.

Majid-ul Haq directed the concerned officials to collect appropriate data of damages caused by the drought and find out ways and means to mitigate the damages by taking positive steps as soon as possible.

Singapore may invest \$15b in East Java

JAKARTA, Aug 27: Singapore has set aside 15 billion US dollars for investment in South East Asia with most of it earmarked for Indonesia, especially the province of East Java, the official Antara news agency said today, reports Reuter.

Soedarman, head of the East Java Investment Coordinating Board (BKPM), was quoted as saying about 20 leading Singaporean businessmen were expected to visit the East Java capital of Surabaya in October to assess investment opportunities.

"Surabaya is the second biggest port city in the country and serves as a development motivator in Indonesia's eastern regions. Therefore I have made efforts to draw Singaporean investment to East Java, particularly to Surabaya," he said.

Soedarman, who gave no time frame for the proposed investment flow, was speaking to reporters after a meeting on Friday with East Java Governor Basofi Soedarman and Indonesia's Ambassador to Singapore Sudibjo Rahardjo.

Soedarman said his administration was preparing tens of thousands of hectares of land around Surabaya, Indonesia's second largest city, which could be utilised by Singaporean investors.

Peoples Insurance submits report

The Peoples Insurance Co Ltd has submitted its half-yearly report, says a Dhaka Stock Exchange press release.

The report covered the period ending June 30, 1994.

Beximco Pharma, Infusions declare dividend

The Beximco Pharmaceuticals Ltd has declared a final dividend of Taka 26.25 per share for the period from April 1 to December 31, 1993, says a press release.

The company also declared an interim dividend of Taka 10 per share for the year 1994.

The Beximco Infusions Ltd has declared an interim dividend of Taka 10 per share for the year 1994.

Bank holiday

Bangladesh Bank and all other scheduled banks will remain close on Monday on the occasion of Janmastami, reports UNB.

US economy grows at 3.8 pc annual rate

WASHINGTON, Aug 27: The US economy expanded steadily this spring but almost two-thirds of the increase came from a huge buildup of unsold goods, the government said Friday. The report was likely to further dampen inflation fears, says AP.

The Commerce Department said the gross domestic product — the broadest measurement of economic health — rose at an annual rate of 3.8 per cent in the April-June quarter.

That increase was up a half-percentage point from first quarter growth of 3.3 per cent. However, analysts had been expecting a much more sizeable advance.

The government said the pickup in growth was not accompanied by higher inflation pressures. Indeed, an inflation gauge tied to the GDP showed prices rising at an annual rate of just 2.9 per cent in the second quarter, down from a first quarter increase of 3.1 per cent.

The government also reported Friday that after-tax profits of US corporations shot up 7.4 per cent in the second quarter, more than reversing a 3.5 per cent drop in the first quarter.

The profits performance matched the gain in the fourth quarter of last year. A month ago in its initial GDP estimate, the government had put growth in the overall economy at a slightly slower 3.7 per cent for the second quarter. Many economists had expected Friday's revision would boost that figure to 4.2 per cent.

Such a sizeable increase, which would have been almost one percentage point higher than the first quarter rate, would have stirred concerns that the economy was growing too rapidly.

Thus, Friday's report was likely to be greeted as good news by financial markets who throughout the year have worried that too-rapid growth would force the Federal Reserve to boost interest rates.

The make-up of economic activity in the second quarter

also eased fears of overheating. Of the 49.1 billion dollars annual rate of growth in the economy for that period, almost two thirds came from a buildup in unsold business inventories.

That huge increase of 30.9 billion dollars was the biggest gain in more than six years. Analysts are forecasting that economic growth will slow dramatically in the second half of this year as companies try to work down the inventory buildup.

The small 1 billion dollars overall revision in GDP growth for the second quarter, compared to the initial estimate, represented relatively small changes in a number of areas.

Consumer spending, which accounts for two-thirds of the total economy, posted an annual rate of increase of 12.3 billion dollars in the second quarter, far below the 40.1 billion dollars advance in the first quarter. That translated into an annual percentage gain of just 1.4 per cent in the second quarter.

Housing construction rose by 7.3 per cent in the second quarter, down from a 10 per cent increase in the first quarter as builders, reacting to the rise in interest rates and slowing demand, started cutting back on production.

The biggest drag on the economy in the second quarter foreign trade as America's trade deficit, as measured by the GDP, grew at an annual rate of 8.9 billion dollars as imports rose faster than exports.

Another negative for the economy in the spring was the government sector. Only state and local government spending showed strength, with an increase of 2.9 per cent at an annual rate. By contrast, the federal government showed a drop of 8.8 per cent.

The various changes left the GDP, after adjusting for inflation, at 5.31 trillion dollars in the second quarter. Before adjusting for inflation, the total GDP was put at 6.69 trillion dollars.

Toyota reports sharp drop in consolidated earnings

TOKYO, Aug 27: Toyota Motor Corp., Japan's largest automaker, on Thursday reported a 29 per cent year-on-year drop in consolidated net profit for fiscal 1994, its fourth straight year of declines, reports AP.

Consolidated, or group, net profit for the year was 125.81 billion yen (1.263 billion dollars), compared with 176.46 billion yen (1.772 billion dollars) the previous year, according to the company's annual earnings report for the year ended June 30.

Earnings per share dropped an equal 29 per cent to 33.78 yen (cents 34) from 47.41 yen (cents 48).

Toyota's consolidated sales were off 8.3 per cent to 9.363 trillion yen (94.06 billion dollars) for the year. Sales for the parent company alone also slid, to 8.155 trillion yen (81.92 billion dollars) from 9.031 trillion yen (90.72 billion dollars), a 9.7 per cent drop.

It was the fourth year that Toyota, which claims more than 40 per cent of the domestic auto market, has reported sharp losses in its net profits. Last year, group net profits plunged 26 per cent compared with the year earlier, and fiscal 1992 net profits were off 45 per cent from fiscal 1991.

"I think we've hit rock bottom," said company spokesman Keisuke Kirimoto. "All we can say is that we will keep on trying."

Kirimoto said that, like Japan's auto industry in general, Toyota has been hard pressed by the rising value of the yen against the dollar.

Arab defence spending totals one trillion in twenty years

ABU DHABI, Aug 27: Arab states spent nearly a trillion dollars on defence in 20 years, most of which was triggered by regional conflicts, according to a new book published here, reports AP.

The 200-page book "weapons and bread... defence expenditure in the Arab world" is the first regional publication to cover spending on arms and security in the 22-member Arab League, author Abdul Razzak Al-Faris said.

Faris, an economics professor at the Emirates University, said the Arab region suffered several military regimes, conflicts among league members and wars with Israel and other countries.

"Due to these phenomena and other factors like the sharp increase in oil revenues, Arab countries spent around 1,000 billion dollars on military institutions during the two decades between 1970 and

1990," the book said.

The military burden in the Arab region was the highest in the world whether it is measured by its ratio to the Gross Domestic Product (GDP) or to the expenditure in general. The Arab world has also become a key market for international arms exports.

Faris, who has held official posts in the United Arab Emirates, gave no breakdown but noted nearly half the Arab League's members had been or were still ruled by military regimes.

He listed Egypt, Syria, Iraq, Sudan, Algeria, Yemen, Libya, Somalia and Mauritania which, he said, accounted for 72 per cent of the Arab population.

The larger part of the Arab military expenditure was borne by member states surrounded geographically by other Arab countries. This means that inter Arab conflicts and arms races consumed a

main part of that expenditure," he said.

The economic cost of this military spending is an actual cost of inter-Arab rifts. What Arab states are paying to maintain their superiority far surpasses what they are reaping on the regional level.

Faris told AFP his statistics did not cover the economic, social and military costs of the 1980-1988 Iran-Iraq war and the 1990-1991 Gulf conflict, which was sparked by the Iraqi invasion of Kuwait.

Official Arab figures have shown the Gulf War cost more than 650 billion dollars while independent estimates have put Iraq's losses from its war with Iran at more than 200 billion dollars.

Military experts said arms purchases started to slow down in some Arab states in the mid 1980s after a sharp fall in aid from Gulf oil producers due to a drop in crude prices.

Govt survey says Vietnamese have more money, but still poor

HANOI, Aug 27: The Vietnamese are acquiring more money under the nation's emerging market economy, but they are still poor, according to a government survey reported on Friday, says Reuter.

The figures also showed that city dwellers are doing a lot better than the 80 per cent of Vietnam's 72 million population who live in the countryside.

The average Vietnamese has a monthly income of 119,010 dong a year, the government's general statistics department was quoted as saying by the official Vietnam news.

The average income in the cities was 220,340 dong (20.2 dollar) a month, or 242 dollar a year, but in the countryside it

was only 94,440 dong (8.6 dollar) a month, or 103 dollar per year.

The report gave no comparisons, but official figures reported last April, covering 1992 and 1993, estimated average annual income per capita at 103 dollar urban incomes at 165 dollar and rural incomes at 85 dollar.

Vietnam news quoted the department as saying 55.75 per cent of Vietnamese families had average or above-average incomes, and 51.7 per cent reported their incomes as good compared with levels before market reforms were introduced in the late 1980s.

The survey was based on response from 91,700 households.

European trading Currencies change little

LONDON, Aug 27: The currencies were little changed in early European trading on Friday as dealers wound down for the long bank-holiday weekend here, although traders kept an eye on the Italian lire, reports AFP.

The lire dropped to 1,017.6 lire against the mark from 1,014.6 at the Thursday close, as the market "fears Italy's large budget deficit will not be tackled," said Pascal Archimi, analyst at the Union Bank of Switzerland (UBS).

The Greenback slipped to 99.32 yen compared to 99.55 at the Tokyo close, 99.62 at the New York close and 99.63 in London. Against the mark, it was stable at 1.5425 marks for 1.5427 in Tokyo, 1.5423 in New York and 1.5482 in London.

Archimi said the market was waiting to see the results of the US-Japanese negotiations on car trading, which is "the most delicate subject". Dealers fear the dollar will drop "if nothing emerges."

UN negotiators described the most recent two-day meeting in Seattle, which dealt with insurance, as "useful", although the session ended without agreement. The talks will continue next month in Los Angeles.

Figures showing a rise in the annual West German inflation figure in August to three per cent, from 2.9 per cent in July.

Pertamina gets right to recover embezzled money

JAKARTA, Aug 27: Singapore's Court of Appeal has upheld a High Court decision to grant Indonesian state oil firm Pertamina the right to recover 81 million dollars in money embezzled by a former executive, Antara said here, reports AFP.

Antara news agency quoted lawyer Albert Hasibuan, representing Pertamina, as saying that the Court of Appeal had on Thursday refused an appeal from Kartika Thahir, the second wife of former Pertamina Executive Achmad Thahir.

The court found that the money in question was paid as illegal commission.

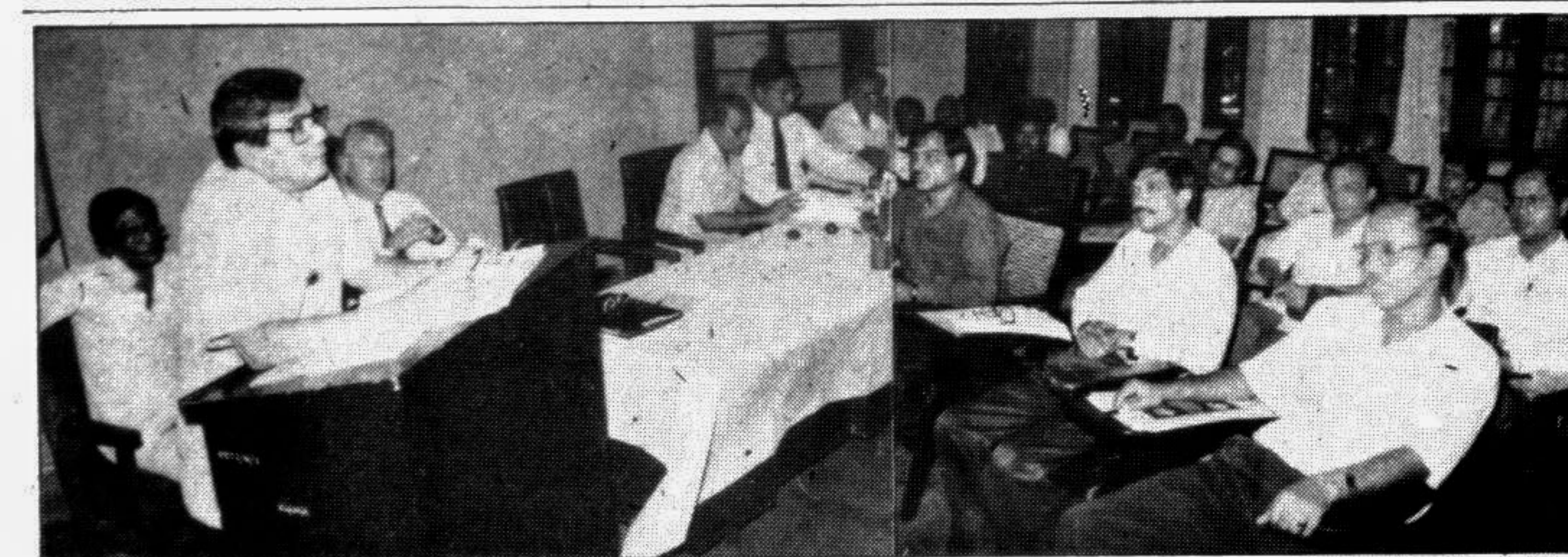
New law on Sunday trading in UK

LONDON, Aug 27: Unexpected Sunday dinner guests will cease to be a domestic crisis this week, when supermarkets around the country open their doors to shoppers, reports AP.

Small shops in most towns have long been providing a safety net for families that ran short of essentials on Sundays. But a tangle of old trading laws for England and Wales prevented big stores from opening, and resulted in some strange anomalies.

For example, it was legal for stores to sell cigarettes, girly magazines and bread on Sundays, but not meat, tea, milk, baby formula or the Bible. The trading law that went into effect this week allows trade in all goods on Sunday but restricts most large shops to six hours trading. However, the old ban on selling alcoholic drinks on Sunday morning remains in effect. That, the government says, is a licensing law not a trading law.

The new law increases penalties for those who flout it and gives shop workers the right to choose whether or not to work on Sundays.



Mohammad Muslim, General Manager of Rupali Bank Ltd, seen inaugurating the training workshop on 'lending risk analysis' at the Rupali Bank training institute in the city yesterday.

Rupali Bank workshop held

Mohammed Muslim, General Manager of Rupali Bank Ltd, inaugurated the workshop on 'Lending Risk Analysis', organised by the Rupali Bank Training Institute in the city yesterday, says a press release.

He reminded the participants that lending in banking needed top most attention of all concerned since bad loans brought about bad consequences for banks.

He maintained that analysis of the risk of lending was crucial to the credit operations of a bank.

He pointed out that the lending risk analysis manual would enable the bankers to identify the risks involved well in advance in making a particular loan and would help the bankers to identify bad loan.

Others who spoke on the occasion were: Robert F Sebastian, International Banking Adviser, Abidur Rahman, National Banking Adviser, Rupali Bank Ltd, and Md. Ayub Ali Chowdhury, Director, RBTI.

Alan Bearegard, credit expert, FSRP also attended the inaugural session.

Haitian money value plummets

PORT-AU-PRINCE, Haiti, Aug 27: Haiti's economy, battered for months by international sanctions, has now been flattened by a one-two punch: rising prices and unofficial currency devaluation, reports AP.

Prior to September 1991, when President Jean-Bertrand Aristide was ousted in an army coup, 7.5 Haitian gourdes were worth one US dollar.

Over the last three years, as a series of world trade sanctions and a US threat of invasion have failed to dislodge the military, the street value of the gourde dropped to 15 to a dollar.

But in the last two weeks, it has plummeted to 25-to-1.

Last month, the army-installed government of provisional President Emile Jonassaint removed the monetary ceiling and printed 100 million new gourde notes.

Half were immediately put into circulation, but with no gold or production to support them, their value immediately dropped. It's not known how many of the other 50 million gourdes remain in the treasury, as theft is a common practice among Haitian mini-

sters. Speculators are reaping a bonanza from the financial insecurity, buying and selling dollars for more gourdes each day.

The lack of confidence in the economy has created a vicious cycle in which Haitians hoard their gourdes, producing a shortage at banks that encourages residents to hoard even more.

In addition, very few US dollars have come into Haiti over the past couple months since a commercial air ban took effect.

On Monday, the Jonassaint government issued an edict prohibiting commercial transactions in US dollars. It has also ordered banks to extend less credit.

Haiti's production, meanwhile, has collapsed since the coup. The European Union and the United Nations estimate that in the last three years, Haiti has lost \$15 million in coffee and cocoa exports, \$14 million in essential oils exports and \$12 million in mango exports. Almost 40 per cent of the nation's 400,000 jobs have disappeared, and

costs for food staples have gone up about 150 per cent. Lately, however, the pace of inflation has drastically accelerated.

A 100-pound sack of rice cost 160 gourdes before the coup. Two weeks ago it cost 450 and on Thursday it cost 550 gourdes.

A 100-pound bag of sugar, 200 gourdes before the coup, went up to 650 from 500 gourdes two weeks ago. Haiti's desperately poor masses can do little but watch in alarm as prices for basic necessities such as food and water climb beyond their reach.

Examar Disne, 35, sat beside a wooden handcart Thursday in the La Saline slum. He used to earn 50 to 75 gourdes a day pulling people's loads.

No one has hired him for two weeks, Disne said, but he's continued to pay 10 gourdes a day rent for the handtruck.

"The high cost of living creates more suffering," Gerard Jean-Juste, Aristide's former liaison with Haitians living abroad, told the Associated Press.