

Tk 2,619cr foreign
donation to NGOs
released in
43 months

The government released foreign donations amounting to about Taka 2,619 crore to registered non-governmental organisations (NGOs) from January 1991 to July 1994, reports UNB.

Deputy Minister for LGRD and Cooperatives Abdul Hai said this in Parliament during the question hour on Wednesday.

The fund to NGOs was released for development work in 19 different sectors, including family planning, education, health, child welfare, women's welfare, infrastructural development, relief and rehabilitation, village and town development and environment.

Giving year-wise break-up of funds, Hai said about Tk 488 crore was released in 1991, about Tk 701 crore in 1992, about Tk 593 crore in 1993 and Tk 385 crore during the first seven months of 1994.

The foreign funds were released under the Foreign Donation (Voluntary Activities) Regulation Ordinance, 1978.

He, however, said expenses and activities of the NGOs registered under the Societies Registration Act, 1860 and the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961 were not monitored by the NGO Affairs Bureau under the Prime Minister's Secretariat.

Accounts and activities of those NGOs are looked after by the Social Welfare Directorate, Women's Directorate, and other agencies and ministries, the deputy minister added.

Replying to another written question from Abdur Rouf Chowdhury (BNP), the deputy minister said some 809 NGOs have been registered by the NGO Affairs Bureau till July 1994.

Tk 320 cr ADB
credit for
railway

Asian Development Bank will provide 80 million US dollars equivalent to Tk 320 crore for the railway recovery programme, reports UNB.

The loan was approved at a meeting of ADB's Board of Directors in Manila yesterday, said a press release of the Communications Ministry.

Sixty per cent of the first phase of the ADB credit will be released shortly.

Most of the formalities for the second phase of the credit programme has been completed by the Bangladesh Railway, the press release added.

S&P affirms B
rating for foreign
currency debt
issued by SBI

TOKYO, Sept 8: Rating agency Standard and Poor's Asia Ltd (S and P) said today it had affirmed its 'B' rating for short-term foreign currency debt issued by the State Bank of India (SBI), the country's largest bank, reports AFP.

The rating reflects the majority ownership of the bank by the Reserve Bank of India and its dominant market position in all areas of the Indian banking sector, the New York-based rating agency said.

S and P added that it also reflected the BB-plus rating on India's long-term sovereign debt.

The agency noted that the Indian central bank had recently cut its stake to 66.3 per cent and that ownership can be further diluted to 55 per cent.

"S and P adopts the view that, given SBI's size and position as the largest bank in India, the government of India would act to support SBI in the future should the need arise," it said.

But the agency also noted that asset quality compared unfavourably with other international banks, although comparisons are difficult because of exposures to priority sectors under Reserve Bank requirements.

Non-performing loans net of provisions amounted to 17.5 per cent of advances at the end of March. But given the liberal definition of non-performing loans, they are believed to be even higher based on international standards.

The agency said loan loss provisions seemed to be "satisfactory" at the end of March. However, with adequacy is uncertain given the perception that the real level of non-performing loans may be higher.

"The adequacy of provisions also needs to be considered against the difficulty in India of the ability to foreclose on loan security," it said.

Ctg Port authority to build up
five more container yards

From Nurul Alam

CHITTAGONG, Sept 8: Chittagong Port authority plans to build up five more container yards in a bid to handle additional 2500 containers regularly.

According to port official sources, the construction of these yards is expected to be completed in one year time. They will provide more handling space to tackle the increased container cargo at this major port of the country.

Port officials said the space shortage in the existing yards forced the authority to plan for building of new container yards.

The existing yards at Chittagong port can somehow provide space for handling of about 8000 containers as against regular handling of around 10,500 containers, they said.

As a result, Chittagong Port faces a regular congestion in its jetty-yards which has become a common phenomenon, port sources said.

The new container yards are planned to be built up at the near side of jetty no 17, jetty no 2, near jetty no 14 and shed no 8, heavy lift yard and at JR yard respectively, official

sources informed.

Besides, Chittagong Port authority is now set for undertaking repairing work of the existing yards which mostly developed pot-holes and became ditchy causing immense troubles to handling operations.

Port officials expect to complete the repairing work in six months time.

Sources said due to dilly-dallying tactics by a section of concerned port officials, the damaged jetty-yards could not be repaired timely though Chittagong port continues to contribute huge revenue to the

national exchequer every year.

According to port reports, container cargo records an increase of 20 per cent per year.

Except the MPB yards, stacking of containers at other jetty-yards has been made almost in a haphazard manner due to space problem, port sources said.

Consequently, on various occasions accidents occurred inside jetty-yards during the movement of container handling equipment-particularly velmets, claiming the lives of some dock labourers, port sources said.



Syed Amir-ul-Mulk, Chairman, Rupali Bank Ltd, seen addressing the Zonal Heads' Conference, 1994 of the bank at a city hotel on Wednesday. Also seen in the picture are S S Nizamuddin Ahmed, Managing Director, Md Hafiz Ibrahim, Director of Rupali Bank, P J Vath, FSRP team leader in Bangladesh, FSRP officials and general managers of the bank.

Tea prices ease further
at auction in Ctg

By Staff Correspondent

All tea prices eased further at this week's auction sale held in Chittagong.

According to a Unity Brokers market report, the sale was held in two days because of local strike.

The market opened very hesitantly as the major buyers held lower limits resulting in large withdrawals but prices eventually settled at around Taka two per kilogram below last week's levels. As the sale progressed, most teas were withdrawn and were later sold in the outlets.

It was disheartening to see the fall in prices after the market gained some momentum last week, the market report said. The major active buyers at the sale were Russia,

Poland, Pakistan and Jordan. The local traders operated at lower levels.

Total withdrawals at the sale stood at 32 per cent of the offerings as against last week's 31 per cent. Leaf offerings comprised 24,270 packages, of which, the export buyers accounted for 64 per cent of the sale while the internal traders purchased 17 and the remaining 29 per cent was withdrawn.

In the dust category, 5,245 packages were offered, of which, the local traders brought 39 per cent while the export buyers purchased 17 per cent and the rest was withdrawn.

Following is the category-wise market performance report as prepared by Unity Brokers:

CTC: Large brokens declined by around Taka two and sold in the region of Tk 41.50 - Tk 42.00. Others were similarly easier. Few best lines realised between Tk 45.00 - Tk 48.90.

Fannings, particularly the cleaner sorts were easier by about one Taka. Plainer types were firm. Few lines sold between Tk 45.50 - Tk 48.00.

GREEN TEA: 300 packages were on offer. YH's sold between Tk 95.00 - Tk 100.00 whilst the Hysons realised Tk 70/-.

DUST: 5,245 packages were on offer. Prices generally eased by Tk 1/2. Powdery sorts declined more.

The next tea auction sale (No 19) is scheduled to be held on September 13 and total offerings would consist of about 23,500 packages of leaf and another 4,500 packages of dust.

TCB makes profit
of Tk 18.40 cr
in '93-'94

Trading Corporation of Bangladesh (TCB) yesterday said it earned a profit of Tk 18.40 crore in fiscal 1993-94, reports UNB.

It contributed Tk two crore to the national exchequer as profit and paid Tk 84.52 crore as income tax, customs duty, and VAT in 1993-94, according to a press release.

During the period, TCB exported readymade garments, jute and jute goods, urea, rice, molasses, hides and some non-traditional items, and imported salt, ginger and firearms.

From '72 to '94, TCB earned a total of Tk 164.55 crore — Tk 151.35 crore in the import sector and 13.20 crore in the export sector.

Iran turns to public
borrowing

TEHRAN, Sept 8: Iran is to resort to public borrowing for the first time since the 1979 Islamic revolution to finance development projects amid economic troubles, central bank Governor Mohammad Hussein Adeli said Wednesday, reports AFP.

Adeli, quoted by newspapers here, said Iran's state-owned banks had been authorised to issue bonds to finance certain industrial and infrastructural projects.

These bonds, baptised "partnership deeds," will return a fixed interest with variable bonus. The deeds, with or without a name, will be offered on the country's stock market.

Religious leaders have approved the move which is con-

sidered to be an important step in the free-market policies of President Ali Akbar Hashemi Rafsanjani.

After the revolution issuing state and other treasure bonds was considered an un-Islamic practice and was banned from the country's Islamic banking system, introduced in 1979.

The first bonds will be issued shortly to raise 75 billion rial (30 million dollars) towards financing a major urban project by Tehran municipality. The project will take off on September 23 by the country's main state bank, Mellii, Adeli said.

Other projects could be launched on borrowed public money if the first bid proves successful, he added.

WTO to cooperate
with IMF, WB

ISLAMABAD, Sept 8: World Trade Organisation (WTO) replacing General Agreement on Tariffs and Trade (GATT) will cooperate with the IMF and the World Bank with a view to achieving greater coherence in global economic policy-making, reports AFP.

The exclusive aim of establishing WTO, successor organisation to the historic institution of GATT set up in 1948, is to facilitate the implementation and operation of all the agreements and legal instruments negotiated in connection with the Uruguay Round.

The agreement setting up the WTO reiterated the objectives of the GATT, namely raising standards of living and incomes, ensuring full employment, expanding production and trade, and optimum use of the world's resources.

Country's fertilizer export
triples in three years

By Farid Ahmed

The urea producing plants of the Bangladesh Chemical Industries Corporation (BCIC) have tripled their fertilizer export over the last three fiscal years (FY).

The BCIC urea plants exported 1.38 lakh metric tons (MT) of fertilizer valued at Taka 69.87 crore in the FY 1991-92 while the volume rose to 5.04 lakh MT in the last FY, according to a BCIC source.

The country earned foreign exchange equivalent to over Taka 208 crore by exporting urea in the last fiscal year.

The source said that the

export might rise in the current fiscal year. The BCIC had exported 1.20 lakh MT of urea valued at over Taka 35 crore last July.

In the year 1992-93, the country had earned foreign exchange equivalent to over Taka 182 crore by exporting 3.86 lakh MT of urea.

The Chittagong Urea Fertilizer Limited (CUFL) exported one-third of the total in the year 1992-93.

Of the country's six urea producing factories (except the KAFCO), the Chittagong Urea Fertilizer Limited (CUFL), Jamuna Fertilizer Company Limited in Jamalpur and Zia

Fertilizer Company Limited in Ashuganj exported the maximum quantity of urea last year.

Another source said the government's policy has resulted in a decrease in the urea-export, but the urea-producing plants have the capacity to increase the export with its production after meeting the demand of urea in the country.

Now the country is producing over 21 lakh metric tons of urea every year while the country needs some 16 lakh metric tons, the source said.

He said the country still has 3.39 lakh MT of urea in reserve.

BGMEA expresses concern
at match industry problem

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Exporters Association of Bangladesh expressed great concern at the problems of match manufacturing industry in the country, a press release said yesterday, reports BSS.

The President of the BGMEA and Exporters Association of Bangladesh Redwan Ahmed MP, while expressing his deep concern over the matter, said that the illegal inflow of cheap and low quality matches from neighbouring countries has pushed the match industry to near ruin.

Four match manufacturing industries have already been

shut down and hundreds of workers and employees have been rendered jobless, he said.

He said although this sector produces sufficient quantity required to meet the country's demand, still some dishonest traders are smuggling in Indian matches and creating hurdles in the economic development of our country.

Redwan observed that without realising the policy of free market economy and liberal import policy and taking advantage of excluding matches from band items, a section of unscrupulous traders legally or illegally are making their

fortunes by bringing and marketing the low cost and inferior quality matches in the local market.

If adequate measures are not taken in time to save this industry from further closure, thousands of workers and employees of this sector will be unemployed and socio-economic condition of the country as a whole will be endangered, he said.

Redwan Ahmed urged the government to take immediate measures against this unhealthy situation in the match manufacturing industry and protect it in the interest of the country.



President of Pan Pacific Hotels and Resorts Ichigo Umehara made a courtesy call on State Minister for Civil Aviation and Tourism Abdul Mannan at his office in the city on Wednesday. They discussed matters relating to operation of Sonargaon Pan Pacific Hotel and Tourism potentialities in Bangladesh.

N Korean leaders discover key to economic greatness!

SEOUL, Sept 8: North Korean leaders hope they have discovered the key to economic greatness: a three million dollars fence around an isolated outpost that will bring Western cash in while keeping "bad" ideas out, reports AP.

The fence, in an area where North Korea, China, and Russia meet, would act like a filter around a "special-economic zone," letting in dollars, yen and deutschmarks but halting the advance of democracy and free enterprise.

Some South Korean companies are interested in providing the materials for the 50-mile fence that the North is trying to build with Chinese investment.

"In a sense we are selling them a cage they will use to confine us," said Kim Ick-Soo, a North Korean expert at Seoul's Korean Institute for International Economic Policy.

"But actually we will be sowing the first seed of economic openness in the North."

In December 1991, North Korean opened two obscure ports on the northeastern tip of the peninsula as its first free economic zone that it hopes will become a 21st century Singapore or Hong Kong.

Pyeongyang sees the 300-square-mile (745-square-kilometer) Rajin-Sonbong zone as a test case for its plan to rev up its sputtering economy without challenging the political status quo, a feat China has been trying to achieve, with mixed success.

"North Korea wants to do what China has done and much more," said Kim. "It wants to keep the region from becoming the spark that ignites unrest nationwide."

"The North considers the idea of opening up so risky that they will keep foreign in-

vestment to the coastal frontier," the Korean Development Institute, a government think tank, said in a recent report.

Saving the decrepit economy is the biggest challenge confronting Kim Jong Il, the North's heir to power. If he fails, analysts say, the 52-year-old "Dear Leader" will lose office, possibly forcing a hasty collapse of the Stalinist state his late father, Kim Il Sung, founded 46 years ago.

Defectors from the North says many factories have virtually shut down for lack of fuel and spare parts.

"Kim has no option but to open up. A self-generated recovery is virtually impossible," said Pae Chong-nyol of Seoul's Export-Import Bank of Korea.

The North's plan to lure foreign investors to its enterprise zone may be more self-delusion than a stroke of genius. Until Pyongyang proves to

the West that it has not been secretly building nuclear weapons, few companies will risk investing in a nation that could end up under a UN economic embargo.

North Korea is also one of the world's worst credit risks. It borrowed heavily in the 1970s; then the Soviet bloc collapsed in the late 1980s, depriving it of its major trading partners. Pyongyang defaulted on some 6 billion dollars in debts to the West, owing Japan alone about 1 billion dollars.

Its previous attempts to set up joint ventures involved luring mostly Koreans living in Japan into partnerships, but these have almost all gone belly up.

Analysts in the South expect the junior Kim to pursue more joint ventures with the outside world and veer away from his father's stren-

uous application of juche, or self-reliance, that has isolated the country's economy.

But increasing contact with the outside world might lead North Koreans to realize how poor and repressed they are, increasing discontent.

North Korean official media said last week that former East block countries' experiment with a market economy "not only bankrupted the economy but ruined human spirits."

Jacob Gutij, a South Korea representative of the United Nations Development Programme, refused to discuss the fence project. But many say the fence is not outlandish and idea as it appears. Long stretches of North Korea's beach are fenced off, and presumably mined, to keep out "invaders" and to keep in the masses.

Historically, the Rajin-Sonbong area, 300 miles (480 kilometers) northeast of Pyon-

gyang, is where Communist authorities kept prisoners and social outcasts away from the rest of the country in labour camps, including the notorious Aoji mining camp.

"Fat away from Pyongyang, with fences around, Communist leaders might feel more comfortable to conduct bolder market experiments," said Noh Jun-yeong, and executive at Seoul's Dongbu Industrial Co.

The North has also asked China to build a wall along the two countries' border near the free trade zone. Japan's Jiji Press reported Thursday, quoting a Japanese legislator who recently traveled to the border area.

North Korea says it will turn its free economic zone into a bastion of tolerance, where it will offer visa exemptions, preferential taxes and other incentives to lure fortune seekers from outside.

Farmers lose
interest in jute
cultivation in
Manikganj

MANIKGANJ, Sept 8: Most of the farmers of the district have lost their interest in jute cultivation as they are being deprived of fair price of their produce, reports UNB.

Some growers alleged that the price of jute has come down in the recent years and they are forced to sell the same far below the production cost.

Jute used to be cultivated on about 75,500 hectares of land in seven thanas of the district during the pre-liberation period. But during the post-liberation the cultivation of the crop has come down and at present jute is being cultivated on 15,500 hectares of land, they added.

Housewives are also facing difficulties in their cooking due to scarcity of jute sticks as they use those as alternative to firewood.

The scarcity has also intensified the problems of the poor people who used to make their thatched dwellings with the jute sticks.

The growers also alleged that the price of jute in the district has fallen further due to absence of government jute purchasing centres. Taking advantage of the situation, middle men and brokers are purchasing new jute at throw away prices.

Call money rate

Money rates in the Call Money Market during the week ended on Wednesday ranged from 1.50 to six per cent, reports UNB.

During the same week, interest rates offered by the banks on certificate of Deposits varied from 3.50 to 8.25 per cent.

The bank rate, however, remained unchanged at 5.50 per cent.

Indian inflation
holding up
interest rate
deregulation

BOMBAY, Sept 8: High inflation rates have been holding up further deregulation of Indian interest rates, the Governor of the Reserve Bank of India (RBI) said, reports Reuter.

"In the recent period there has been a pause in the deregulation of interest rates, but this is largely due to the relatively high inflation rate prevailing in the economy over the last 12 months," Chakravarty Rangarajan said.

"The best period for deregulation of interest rates is always when inflationary pressures are subdued," Rangarajan told a conference of bank economists at Goa.

India's inflation rate has been hovering around 10 per cent.

The year-on-year inflation rate for the week ended August 20 was 9.40 per cent, down from 17 per cent in August 1991.

Bankers have been waiting for further interest rate deregulation as the next step in India's financial sector reforms. Government borrowing at market-determined rates from mid-1992 also boosted hopes of interest rate deregulation.

At present, the RBI has set a minimum lending rate of 15 per cent and a ceiling rate of 10 per cent on bank deposits.

Haiti move to
manage
economy

PORT-AU-PRINCE, Haiti, Sept 8: Haiti's de facto government has announced measures aimed at rescuing the economy, which is crashing after almost three years of international sanctions, Radio Metropole reported Saturday, says AP.

The cost of living has skyrocketed since the United Nations imposed an almost total trade embargo on Haiti in May, while the value of the local currency, the gourde, has plummeted.

When the army ousted President Jean-Bertrand Aristide almost three years ago, 7.5 Haitian gourdes were worth one US dollar.

Since then, staple food prices have gone up by about 150 per cent — 10 per cent in the last month alone — while at least 100,000 jobs have been lost.

In August, the gourde reached an all-time low of 25 to one dollar on the street.