

Five govt coal depots to be closed down soon

Star Report

Five of the 17 coal depots of the government will be closed down soon as the stock lying there for years has been sold through auctions held recently. The total coal stock of 20,000 tonnes at the depots in Chudanga, Kulaura, Siraganj, Parbatipur, and Chandpur were sold at the rate of Taka 1200 per tonne, the minimum price fixed by the government.

According to an official source, these five depots will be declared closed as soon as the buyers take delivery of the coal.

However, about 115,000 tonnes of coal will remain un-

sold at 12 other government depots, most of which are in Narayanganj, Chittagong and Khulna. Some 47,000 tonnes of coal are now in stock at the depots in Narayanganj while the stocks in Chittagong and Khulna are 28,000 and 30,000 tonnes respectively.

The coal stock lying in these depots were imported a few years ago by the government. Later, the government allowed free import of coal under private sector and abolished the Directorate of Coal on April 1 this year. A committee was formed to dispose of the government's coal stock of

around 135,000 tonnes through open auctions fixing the minimum price of Taka 1200 per tonne.

Open auctions of the government's coal began in June this year, but the bids were too low, around only Taka 400 per tonne was offered by the buyers. Therefore, the government decided to go for fresh auctions which were held recently.

Authorities concerned are optimistic about clearing the remaining stock of 115,000 tonnes at the minimum price fixed by the government, since, according to them, the

demand of that coal is rising. "We hope to clear the stock and close down all the depots by December this year."

Demand of coal goes up during dry season every year when the brick fields all over the country start production. Relevant sources said that supply of Meghalaya's coal imported under private sector this year is not enough to meet country's requirement. The import from Meghalaya decreased this year since the extraction of coal in the said Indian state reduced due to climatic problems, sources said.

2.5m Iraqis face malnutrition due to food shortages

GENEVA, Oct 12: About 2.5 million children, pregnant women and nursing mothers face severe malnutrition because of food shortages in Iraq, said a UN report released Tuesday, reports AP.

The UN Children's Fund said the Iraqi government's recent cutbacks in food rations mean so many fewer calories in the daily diet that Iraqi children and women risk being severely malnourished.

In announcing the reduced rations late last month, Baghdad blamed the cutbacks on a poor harvest and on UN sanctions, including an oil embargo.



Syed Md. Mainuddin (2nd-L), Manager, Public Relations, Hotel Agrabad, Chittagong, Bangladesh is seen with Ghulam Nabi Azad, Minister for Civil Aviation and Tourism, Government of India, during first South Asia Travel Tourism Exchange (SATTE) fair held in New Delhi in September.

Salman plans to set up Secretariat if elected FBCCI president

By Staff Correspondent

The role of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) should be more active in shaping the government's trade and industrial policies, observes Salman F Rahman, an industrialist of the country.

"In the past, the Federation has mostly reacted to the government policies, but in the future, it must help formulate the government policies," said Rahman — one of the seven candidates still in the race of the coveted post of FBCCI President in the elections scheduled for October 17.

Deputy Chairman of the Beximco Group, Rahman is also a former president of the Metropolitan Chambers of Commerce and Industry (MCCI).

The Federation has a much more broader role to play than its present one as more of a complaint centre, he said.

Rahman is contesting for the post of FBCCI president as the head of the Bangladesh Oushad Shilpa Samity.

"Moreover, the FBCCI is now primarily centered around one person — the president which is completely wrong as in any successful organisation there has to be team-work representation in discharging both collective as well as delegated responsibilities," he said.

In an exclusive interview with The Daily Star at his Dhanmondi office, Rahman proposed to set up a strong Secretariat at the Federation, having the capability of producing indepth policy papers on trade and industry.

"To have an active role, the Federation must have a strong secretariat," he opined.

If elected president, he

would work collectively through various statutory and advisory committees to make FBCCI more participatory and active, he added.

"I am more and more convinced that there are a lot of talents in the business community who would be willing to come forward and give their service provided the atmosphere and environment at the Federation was congenial," he said.

The FBCCI has failed to play a pragmatic role under the rapidly changing circumstances, he felt. "But I don't want to be critical as there is no use of dwelling on the past, rather we should look towards the future."

Bangladesh can only change its fortune under the rapidly changing global economic scenario, if the country's business community comes forward and is fully activated, Rahman maintained. "The business community is fully competent and capable of bringing about this change."

But the business community needs to be more organised and united which requires correct guidance from an apex forum like FBCCI, he said.

"The reason I decided to run for the FBCCI presidency is that I believe that it is only the business community which can change the fortune of Bangladesh, as the business communities of all countries from Japan to Thailand have done for their respective countries," he maintained.

"But the business community needs FBCCI to provide strong, correct leadership."

Rahman, 43, is currently involved in a wide-range of business activities through the

Beximco Group, including textiles, pharmaceutical, jute and frozen foods. Beximco was awarded the President's export trophy for five different years during the past 15 years or so.

He is at present the Executive Committee member of the MCCI and the Bangladesh Employers Association and is also an active member of 12 trade associations.



Salman F Rahman

Married with a son and a daughter, Rahman is also active in the socio-cultural arena and is the president of the Abahani Krira Chakra, vice president of the Bangladesh Football Federation and is an avid art collector.

On the current economic performance of the country, Rahman said although the targets set by the government is being achieved but the target itself may not be adequate.

He questioned the adequacy of setting a growth rate target of six per cent for the current fiscal year saying that it may not be enough to meet the challenges that Bangladesh faces: "I feel a higher growth

rate of at least eight to nine per cent sustained over a period of five to six years will be needed to achieve economic breakthrough."

Rahman is also very much in favour of liberalisation of the local market provided the local producers have a reciprocal access to other markets and that they are also provided with a level playing field in terms of infrastructure and services compared to the competitors in another country.

He also advocated for greater deregulation saying government services from ports and airports to giving fitness certificates for vehicles should be privatised.

Private investment, he said, is not picking up primarily because of shortage of capital, lack of infrastructural facilities and poor domestic demand.

Foreign investors are reluctant to invest in the country because of the country's existing image problem abroad and also because of the lack of infrastructural facilities, which is a much more serious problem for them, he added.

But he is optimistic about the country's economic future and out of that conviction, he pointed out, the Beximco Group has invested some Taka 540 crore over the last three years or so and that the company is also planning an additional investment of Taka 1,000 crore in the immediate future.

"But I am convinced that economic change can only be brought about by the business community, the private sector. And that is the reason why I am contesting the FBCCI elections," Rahman concluded.

Moscow keen to bolster trade ties with Dhaka

Russian Federation is keen to participate in Bangladesh's economic development process and strengthen trade relations on the basis of mutual interest, reports UNB.

This was stated by visiting Deputy Minister for Machine Building Industries Alexandrov when he called on State Minister for Industries Lutfur Rahman Khan at his office yesterday.

Alexandrov, who is leading a five-member delegation, discussed with the state minister setting up of joint venture projects in public and private sectors, particularly in the field of fertilizer, pulp and paper, assembling of tractor and different transports.

They also discussed the ways and means for strengthening the existing economic relationship between the two friendly countries.

Industries Secretary AHM Abdul Hye, Russian Ambassador to Bangladesh Eduard P. Chevchenko and BCIC Chairman Waseque Al-Azad were present on the occasion.

UNCTAD envoy says Ongoing rubber negotiations tough

GENEVA, Oct 12: Ongoing natural rubber negotiations between producers and importers are "tough", a UNCTAD spokesman said Tuesday, reports AFP.

UNCTAD is overseeing the talks here, which resumed on October 3.

The talks centre on the search for a new international agreement to replace that signed in 1987 and which expires on December 28. The current agreement can only be extended for one year.

Negotiators are looking for a compromise that would stabilize prices.

Producers have asked for an increase in the reference price, up five per cent on the price in force when the current 1987 agreement runs out.

The two sides are also divided on how long the new agreement should run for.

The current round of talks is expected to end on Friday.

BIBM course on banking laws concludes

A 15-day training course on banking laws and practices conducted by Bangladesh Institute of Bank Management concluded yesterday, says a BIBM press release.

The objectives of this course was to acquaint the bankers with the laws and practices relating to banking and finance.

The Director General of BIBM, A H M Arul Islam Choudhury, presided over the concluding session of the course.

Choudhury in his speech underscored the need for creating awareness among the bankers about banking laws and practices and inspiring them to promote and modernize the same to meet the needs of the day.

He also expressed the hope that the participants trained in the course would discharge their responsibilities efficiently.

Liakat Hossain Moral and Quazi Rofiquddin, faculty members of BIBM, were the coordinators of the course.

Malaysia lashes out at EU levy on colour TV sets

KUALA LUMPUR, Oct 12: Malaysia has hit out at an anti-dumping levy imposed by the European Union on colour television sets produced in Malaysia and other Southeast Asian states, local news reports said Tuesday, according to AFP.

"The duties are based on the allegation that we sell (in Europe) at a price below the local selling prices," Rafidah Aziz, Malaysia's International Trade and Industry Minister, was quoted as saying.

The duty imposed by the EU is high as the differences between the constructive prices and the real prices are wide and inaccurate," Rafidah said.

Constructive prices are the minimum costs estimated in producing the colour television sets, while real price are the commercial value calculated by manufacturers.

She said television set makers from outside the European Union (EU) which exported their entire production overseas have been hit by high levies.

The duties on dumping — selling at below cost price — were calculated based on the constructive price of the sets, and not their real value as the sets were not sold in the countries in which they were produced, Rafidah said.

An EU journal said two Thai-based colour television makers, Goldstar Mittr and

World Electric, had been hit by hefty anti-dumping duties.

Manufacturing investment reaches \$9b in 8 months

Another report says: After suffering a decline last year, Malaysia's manufacturing sector drew an approved investment of almost six billion dollars in the first eight months of the year, a cabinet minister said yesterday.

A total of 512 manufacturing projects valued at 5.9 billion dollars were approved between January and August compared to 613 projects worth 5.3 billion dollars in 1993, said Rafidah Aziz, Minister of International Trade and Industry.

Meeting on tea export situation begins today

By Staff Correspondent

The government is evaluating the overall situation in the tea sector of the country in view of the decline of export earning from this traditional item.

Sources in the Ministry of Commerce said, an emergency meeting has been called today in this regard. The meeting will be held at the Ministry of Commerce with the Commerce Minister M Shamsul Islam in the chair.

"The export situation of tea from the country is the main agenda of the meeting, a high official of the Commerce Ministry told The Daily Star.

Chairman of the Trading Corporation of Bangladesh (TCB), Vice Chairman of the Export Promotion Bureau (EPB), Chairman of the Bangladesh Tea Board, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the representatives of the major tea exporting firms have been invited to attend the meeting.

According to the EPB released export data, a sharp decline by 57.78 per cent as only 3.01 million dollars worth of tea was exported during the July and August, the first two months of current fiscal as against 7.13 million dollars in the same period of the earlier fiscal.

The EPB attributed the fall in tea export earnings to a decline in unit export price and export quantity by 11.59 per cent and 52.32 per cent respectively. The export target of current fiscal year from this sector is 40 million US dollars.

There are 158 tea gardens in the country of which 140 are in Sylhet and 18 in the Greater Chittagong district.

Tea traders say, the decline in export is mainly due to gradual reduction of import from Bangladesh by Pakistan. Islamabad had been a major importer of Bangladesh tea till recently. About 40 per cent earning stem from export of tea to Pakistan.

Bengal Carbide takes up Tk 600m expansion network

The fifteenth Annual General Meeting of the shareholders of Bengal Carbide Ltd was held yesterday at the Conference Hall of the FBCCI which confirmed the issue of 1:1 bonus shares recommended by the Board of Directors. The share holders applauded the declaration of this 100 pc stock dividend, says a press release.

In the meeting the Managing Director of the Company Mubarak Ali, replying to the queries from the shareholders, disclosed that a 300000 M/T per annum cement plant has been taken on hand by the company. Based on clinker, the plant will be located in Chittagong at a cost of Tk. 600 million approximately and is expected to come on-

stream by January 97.

Earlier, he disclosed that with lease financing a plant is being installed for production of pencil battery at the Kanachpur plant of the company. This unit will be operational by the middle of 1995.

Besides, the company's ongoing project of biscuits and candy manufacturing plant was progressing satisfactorily. Construction work was going on while the machinery will reach the site early next year to go into commercial production by June or July '94.

He also informed the meeting that the metal jacket battery plant at Kanachpur has gone into commercial production August last, while the existing factory at Tongi was also operating smoothly.

Suzuki dies

TOKYO, Oct 12: Eiji Suzuki, former chairman of Japan's influential Federation of Employers' Associations (Nikkeiren), died of heart failure here yesterday, doctors said. He was 81, reports AFP.

After working as chairman of Mitsubishi Chemical Corp. Suzuki served as Nikkeiren chairman from 1987 to 1991.

Mitsubishi Chemical merged with Mitsubishi Kasei Corp earlier this month.

Suzuki had also served as chairman of the Fiscal System Council, and advisory panel to the finance minister.



The 15th Annual General Meeting of Bengal Carbide Ltd. was held in the city yesterday.

Palestinian businessmen begin 5-city tour of US

WASHINGTON, Oct 12: US Commerce Secretary Ron Brown kicked off a five-city tour by Palestinian businessmen Tuesday designed to attract US investment in the Gaza and West Bank regions of the Middle East, reports AP.

Stability in the region is only possible with economic development," Brown told a US-Palestinian Business Roundtable at the Commerce Department.

Brown, who has led two US delegations to the Middle East to explore business opportunities, explained that as peace comes to the region, people's expectations are raised and must be met.

Shock waves from 'black Tuesday' rock Moscow

MOSCOW, Oct 12: Shock waves from "Black Tuesday" spread throughout Moscow with money exchanges and kiosks shutting their doors as merchants and shoppers scrambled behind a plummeting Russian rouble, reports AP.

The rouble lost a fourth of its value against the dollar in the worst one-day plunge since trading began in 1992. It closed at 3.926 to the dollar at the Moscow Interbank Currency Exchange, a drop of 845 points.

"This country is going down the drain," said Yaroslav Sychevsky, as he stood in line at a currency exchange.

Exchanges across the city closed after selling out of dollars and kiosks shut while Moscow's fledgling capitalists marked up merchandise. Some shopkeepers selling imported

goods said they might have to double prices to keep up — even though they risked driving away customers.

"We don't know what to do," said Oleg Abayev, head of Lora, a chain of kiosks selling imported liquor, food and cigarettes.

The rouble's tailspin left shoppers stunned — and looking for someone to blame.

"Our government is brainless!" wailed Nikolai Romantsov as he surveyed the prices at a downtown food shop.

Other panicky Muscovites gutted savings accounts, dashing to buy before their money suddenly shrank again. Refrigerators, stereo and television sales sky-rocketed Tuesday, the ITAR-Tass news agency said.

Everyone looked for some-

one to blame.

As top government officials convened in hastily called meetings and President Boris Yeltsin met with the speaker of parliament in the Kremlin, the head of the Central Bank said the culprits were "speculators."

"This will snap back and stick to their face like bubble gum," bank chief Viktor Geraschenko declared.

A free falling rouble endangers Russia's free-market reforms by scaring off foreign investors, squeezing people who rely heavily on imported goods and increasing the risk of recession.

"The alarming part is the instability," said Dr Lena Mikhailova as she waited for a bus. "If this means the economy is going to collapse, or even the government, then I

am worried."

The Central Bank, which spent billions of dollars to prop up the rouble this year, unleashed the panic by stepping back from the money market last month.

Some called the move an attempt to punish speculators. But Geraschenko said the bank had had to pull back because it had dipped so deeply into hard currency reserves in August.

The bank jumped back into the market Tuesday in the final minutes of trading, spending 80 million dollars to stop the rouble from going under 4,000.

The bank also announced it was raising its commercial lending rate to 170 per cent from 130 per cent in hopes of curbing inflation.

"In the past, we said the

rouble exchange rate reflected inflation. Now we can see that the rate has started to cause it," said Irina Pavlovna, an economic analyst.

The experts seemed as bewildered by the rouble's dive as everyone else.

"Political infighting," said Yelena Ishachenko, a money market analyst.

The Central Bank is trying to show people how important it is," said Dmitry Rappaport, a Stolichny Bank official who described the currency exchange as "a playground for bankers and politicians."

It took the rouble more than a year to go from 1,000 to 2,000 against the dollar, from May 1993 to July 1994, but just three months to sink to 3,000. In the past two days of trading alone, the rouble has fallen by more than 1,000 to

the dollar.

The worst previous one-day drop was on September 23, 1993, when the rouble lost 17.9 per cent of its value, going from 1,102 to 1,299 to the dollar.

The general air of economic chaos wasn't helped by a sudden run on gasoline that came, paradoxically, just a day after a 17 per cent price hike.

Alexander Korsak, in charge of Moscow's gasoline supplies, said he couldn't explain the outburst of panic buying that forced drivers to wait in long lines.

One driver, Valery Rubachev got to the front of the gas line just as his station ran out. "The rouble is falling, the dollar is rising, all prices are going up," he said wearily. "I have to work two jobs to keep up."

Inflation hits Y'slav economy

BELGRADE, Oct 12: Shoppers here no longer lug bundles of dinars from store to store in a futile race against hourly price hikes, but they still pack plenty of anxiety, reports AP.

"I can smell inflation in the air," said Slobodan Garcevic, an economics student at Belgrade University. "It's inevitably coming back."

Emergency reforms that tamed million-per-cent-a-month inflation 10 months ago are looking more and more like a house of cards. Once again there are signs of hoarding and panic buying.

"It really looked better, but it didn't long," muttered Mileva Popovic, a retired teacher, as she left a supermarket. "There is no cooking oil, no milk. Meat prices are still high. And ordinary people are suffering again."