The Daily Star
BUSINESS
DHAKA SATURDAY, NOVEMBER 26, 1994

RPAP launches Tk 15 cr credit disbursement programme

Rural Poverty Alleviation Programme (RPAP) of Bangladesh Rural Development Board (BRDB) financed by the government has launched a massive programme in 145 thanas under 23 districts for undertaking various income-generating activities for self employment of the assetless families. During 1994-95 Tk. 15 crores credit would be distributed among the distressed group members, in turn 42000 assetless families would be directly benefited. Upto October 94 an amount of Tk. 2 (two) crore credit has already been disbursed which are regularly repaid on weekly instalments with 100 per cent rate of realisation, says a press release.

During 1994-95, the programme includes formation of 2175 informal pre-cooperative groups comprising of 42,100 assetless families of greater Dhaka, Chittagong, Cox's Bazar, Tangail, greater Sylhet, greater Comilla, Patuakhali, Barguna, Rangpur, Gaibandha, Kurigram and Nilfamari districts for their socio-economic development. The project is characterised by the facts that the beneficiaries are not required to form cooperatives to get loan and services. Revolving loan fund available at thana level that are managed and disbursed by the thana level functionaries. In this system the beneficiaries will get loan quickly and utilise properly and can repay loan in proper time.

Apart from group formation and credit operation, the project has undertaken a comprehensive training programme during current financial year which involved skill development training to 13,050 members of assetless group, human resource development training and awareness raising courses for 30 thousands group member. The training programme as initiated under Rural Poverty Alleviation Programme focus on human resource development and environmental consideration.

It may be mentioned that the project period is for 5 years which will be completed in June 1998. The overall targets of the project includes formation of 4350 assetless groups consisting of 87000 members, disbursement of credit amounting to Taka 41 crore 20 lakh, providing skill development training to 52,200 members and human resource development training to 36700 members. The total cost of the project is Tk 6867.08 lakh. The project will create a sustainable RLF fund of Tk 51.00 crore at the close of the project.

It is the first Rural Poverty Alleviation Project which is entirely financed by the government.

Four banks waive general, penalty interests from sick industries

Four nationalised commercial banks (NCBs) have waived general and penalty interests from sick industries amounting to Tk 102.12 crore from fiscal 1991-92 till date, reports UNB.

State Minister for Finance Mojibur Rahman said this in Parliament Wednesday during the question hour.

Replying to a question from Sardar Shakhawat Hossain Bakul, he said the Sonali Bank waived a total of Tk 30.64 crore — Tk 25.50 crore general interest and Tk 5.14 crore penalty interest, the Agrani Bank Tk 24.64 crore — Tk 20.39 crore general and Tk 4.25 crore penalty interest, the Rupali Bank Tk 15.65 crore — Tk 14.15 crore general interest and Tk 1.50 crore penalty interest, and the Janata Bank waived Tk 31.19 crore — Tk 30.25 crore general and Tk 0.94 crore penalty interest.

Replying to a supplementary, the State Minister attributed the sickness of industries to what he called wrong industrial policy of the past autocratic government.

He claimed that the present government is pursuing a pragmatic industrial policy and by waiving interests it is trying to make sick industries viable.

Replying to another question, he said capital flight from the country could not be identified due to lack of evidence. The government has, however, taken action against one or two parties responsible for capital flight.

Replying to Abdur Rab Chowdhury, he said the government does not fix interest rates. The banks fix the rates of interest in different sectors under interest policy in conformity with the free market economy concept, he said.

The state minister said the interest band for agricultural loan is 10-14 per cent. However, the NCBs provide loan at 11 per cent interest rate for crop production. Some of the banks exempted one per cent interest from those who repay loans regularly, he added.

DSE turnover in volume, value declines

By Sohel Manzur

Buoyancy lifted the market capitalisation of the companies listed with the Dhaka Stock Exchange (DSE) to one billion dollars last week, but the turnover in volume and value declined due to depletion caused by the absence of new issues, according to market operators.

Prices of shares also gained significantly raising the all share price index to 885.78 points Thursday from Saturday's 849.85 and 838.94 on the end of business previous week.

Market capitalisation stood at 41.77 billion taka (1.04 billion US dollars) after exceeding the one billion dollars mark on the first working day last week with 40.26 billion taka. It was 39.74 billion taka on the last day of the previous week.

Turnover in volume declined to 89,643 on Thursday from Saturday's 145,179 and the previous weekend's 242,177 shares.

Turnover in value also fell significantly to only 12 million taka from Saturday's 22 million and the previous week's 40 million.

Talking to The Daily Star, Chairman of the DSE Khurshid Alam Friday said the current depletion in the market is due to absence of new issues despite the fact that several issues are now in the pipeline of the Securities and Exchange Commission (SEC), the regulatory body of the share market.

He said growing interest of the local and foreign investors caused a bull run at DSE in recent months creating the need for more issues in the market.

He also warned that if the issues, which are in the pipeline, arrive late, share prices may go up abnormally leading to abnormal behaviour of the market.

Some 153 companies are listed with the DSE, while five more issues were now in the pipeline of the SEC.

Foreign investors have so far injected 160 million US dollars in the market.

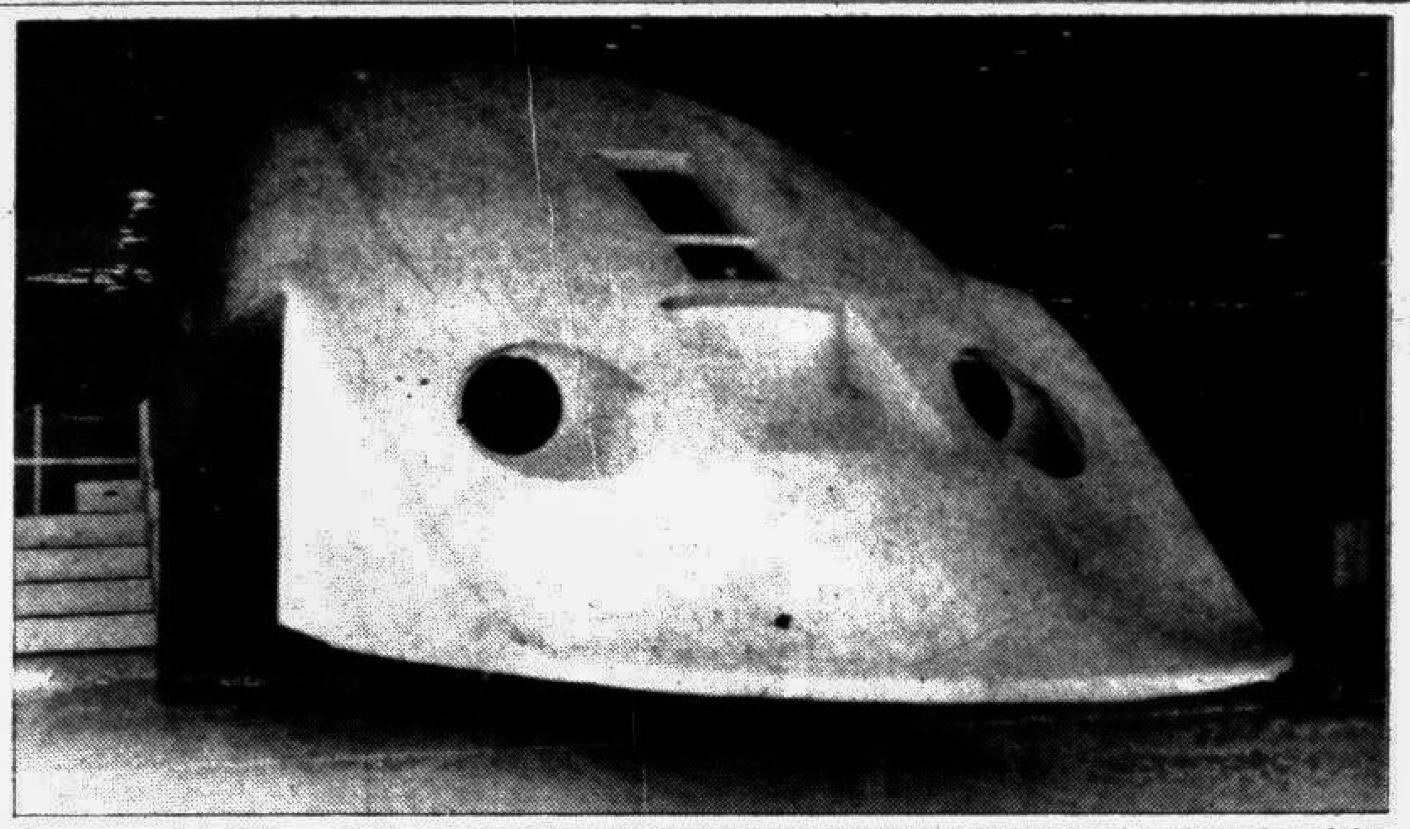
The DSE chief said foreign investment is expected to hit 250 million dollars at the end of December.

Privatisation of French tobacco co under study

PARIS, Nov 25: State-owned bank Credit Lyonnais has been selected to study the possible privatization of SEITA, the state tobacco monopoly that makes Gauloises cigarettes, the government said Friday, reports AP.

The Economics Ministry said there was no decree yet for SEITA's privatization and no timetable for any possible selloff.

Budget Minister Nicolas Sarkozy, in charge of an ongoing privatization programme, has said no further privatization would take place this year. However, the government has called for proposals from shareholders interested in taking stakes of at least 10 per cent in the money-losing computer company Groupe Bull SA.



A test model of Japan's linear motor train sits at Mitsubishi plant designed and produced for Japan Railroad (JR) Tokai Company on Thursday. The magnetically levitated test model will run in laboratory to research a possibility of future commercial use of the vehicle starting spring of 1997. — AFP photo

Training course on industrial sewing machine maintenance tech ends

Use of modern technology for boosting garments export suggested

The two-week long Bangladesh-Japan training course on "Industrial sewing machine maintenance technology" ended here Thursday with a call for appropriate human resources development, particularly in the garments sector to raise further the quality of products to boost export, reports BSS.

The speakers at the concluding ceremony laid importance on proper training to ensure utilisation of modern technology to harness the country's huge manpower for expediting the space of economic uplift.

They said that to get optimum results from the country's burgeoning garments industry which had now become the largest foreign exchange earners application of latest technology along with upgradation of workers skill through training was essential.

The speakers said technically skilled people involved in production could produce quality goods of international standard for their easy penetration into today's competitive market.

The course, organised by the Association for Overseas Technical Scholarship (AOTS) of Japan in collaboration with Brother Industries Limited of Japan, Fairlon Agency Limited, Bangladesh AOTS Alumni Society (BAAS) and Japan External Trade Organisation (JETRO), was participated by 68 senior mechanics and maintenance engineers from different garment industries of the country.

Split into two groups the training course, second of its kind in Bangladesh, was conducted by K Naganawa, an expert from Brother Industries of Japan.

Held at a city hotel the concluding ceremony was attended by Hideo Ohta, President of Japan Industrial Machine Corporation as the chief guest. Among others, Khandaker Zillur Rahman, Chairman of Fairlon Agency, K Naganawa, Course Conductor, M Ashraful Haque, President of BAAS and Dr A K M Moazzem Hussain spoke.

Hideo Ohta, in his speech, said they would do their best to hold this kind of seminar or training at least once a year in Bangladesh. Brother Industries Ltd is always innovating high-tech machinery almost every year through research to make highly sophisticated garments. So introduction of these machines with the people involved in this sector was needed, he added.

Ohta said machinery might be the latest but the man behind it should know how efficiently he would handle it for quality products.

K Naganawa urged the participants to remember what they had learnt during this short period of training and implement those acquired knowledge in their factories.

Ashraful Haque called upon the participants to brushup the theoretical and practical knowledge they learnt for the benefit of their respective factories.

Dr Moazzem Hussain said this was the 15th training course organised by the AOTS in Bangladesh. He hoped the participants would transfer their acquired skill to their fellow colleagues and remanded them that the training they received would be successful only when that could be properly applied in their workplace.

Later Hideo Ohta distributed certificates among the participants.

Japan's consumer prices rise 0.5 pc

TOKYO, Nov 25: Japan's consumer prices in October rose 0.5 per cent from the previous month and 0.2 per cent from a year earlier, the management and coordination reported today, reports AFP.

The government agency said consumer prices in Tokyo a leading indicator of nationwide inflation, declined 0.4 per cent in November from October the first month on month drop in four months but rose 1.1 per cent from November last year.

Excluding fresh foodstuffs prices in Tokyo in November declined 0.1 per cent from October and rose 0.5 per cent from a year earlier showing a continued price stability.

Fresh vegetable and fruit prices which have been affected by a fierce heat wave and a water shortage, declined in November compared with the previous month but were still sharply higher than prices a year ago.

In observance of Tourism Month '94

BPC organises orchid, flower exhibition

Bangladesh Parjatan Corporation organised an orchid and flower exhibition yesterday morning at Waterfront restaurant adjacent to Zia International Airport in observance of the tourism month 1994, reports BSS.

State Minister for Cultural Affairs Professor Jahanara Begum was present as the chief guest at the function. Major Md Kamrul Islam (rtd) and the Ambassador of the Netherlands to Bangladesh, R A Vornis, were present as the special guests.

Among others present on the occasion were State Minister for Civil Aviation and Tourism Abdul Mannan, M A Jinnah MP, Chairman, Bangladesh Parjatan Corporation, Abdus Samad Bhuiyan, foreign tour operators and travel writers, high officials of the ministry and the corporation. A large number of spectators enjoyed the exhibition.

In all ten organizations participated in the exhibition. Malancha Pushpa Kendra won first prize (Dhaka-Singapore-Dhaka Biman ticket), Aparajita Pushpa Kendra 2nd prize (Dhaka-Kathmandu-Dhaka Biman ticket) and Alpana Puspa Kendra 3rd prize (Dhaka-Calcutta-Dhaka Biman ticket). A special prize was given to Orchid Society of Bangladesh. Consolation prizes were also given to other participants of the competition. The chief guest distributed the prizes among the winners while the special guest distributed the consolation prizes.

BCIC directed to optimise paper, newsprint production

The Industries Secretary, A H M Abdul Hye, has directed Bangladesh Chemical Industries Corporation (BCIC) to optimise production and streamline distribution procedure for stabilisation of price level of paper and newsprint in the market, says a press release.

He gave the directives while reviewing the whole gamut of issues relating to production and sales of paper and newsprint produced by mills under BCIC at a meeting held BCIC Bhaban in the city on Thursday.

Waseq Al Azad, Chairman, Directors of the Corporation and concerned senior officers of BCIC Head Office attended the meeting.

After threadbare discussion of the pertinent issues, the meeting decided to take definitive measures to augment the supply of paper and newsprint at fair price, particularly to the students of schools, colleges and universities.

Price of gold may rise as demands rising

FRANKFURT, Nov 25: The Head of a South African Association of Private Gold Mining Companies said yesterday the price of gold may rise soon as physical demand appears to be reviving, reports Reuter.

"We would see the price probably moving slightly upwards — but nothing fantastic, Tom Main, Chief Executive of the Chamber of Mines of South Africa, told a news conference.

Main saw increasing demand for jewellery in key markets like India supporting the stagnant gold price. Jewellery takes up 70 per cent of total gold supply, he said.

He noted that many people expected the gold price, currently around 385 US dollars an ounce, to exceed 400 US dollars in the new year, but he said he was "always very conservative about these things."

Main said recent gold price rises tended to be capped as hedge funds sold at 400 US dollars an ounce to book profits.

He welcomed the increasing use of derivatives and hedge funds, noting that they had increased the overall size of the gold market substantially, but added : "of course, we prefer to see physical gold moving around."

Main said it was not necessarily true that derivatives made gold prices more volatile, citing the market's subdued state.

He attributed that to recent price rises which hit gold demand, notably from the Middle-East and Far-East.

Also, the key markets of Turkey and Saudi Arabia had faced economic difficulties, while China had launched an austerity plan, he told reporters.

Addressing the threat of increased supply from the former Soviet Union republics, Main said it was impossible to quantify the amount of gold coming out of the CIS but production had dropped substantially.

Higher growth predicted for EU

BRUSSELS, Nov 25: The European Union's economic chief on Wednesday forecast higher growth rates for the 12-nation trade bloc, reports AP.

Economics Commissioner Henning Christophersen predicted 2.6 per cent growth for 1994, up from his prediction last May of 1.6 per cent.

He also forecast 2.9 per cent growth for 1995, also up from his previous prediction of 2.5 per cent.

For 1996, he predicted 3.2 per cent growth for the combined dozen nations. He had not given a previous prediction for 1996.

"The recovery has now taken solid root," Christophersen said in a statement issued by the EU's executive agency, the European Commission.

108 food for work projects in B'baria okayed

BRAHMANBARIA, Nov 25: The district coordination committee for food for work (FFW) programme, at a meeting here Thursday approved 108 projects for implementation in seven thanas of Brahmanbaria district during the current fiscal year, reports BSS.

The State Minister for Disaster Management and Relief, and Chairman of the committee Harun-al-Rashid chaired the meeting held at the conference room of the district administration.

In all two thousand one hundred and 55 metric tons of wheat, will be allocated to implement 112 projects under general food for work programme in seven thanas of the district during the current fiscal year.

Thana-wise projects to be implemented will be as follows: Brahmanbaria Sadar-30 projects with 583 metric tons of wheat, Sarail-11 projects with 269 metric tons of wheat, Kasba-16 projects with 259 metric tons of wheat, Akhaura-8 projects with 120 metric tons of wheat, Nabinagar-31 projects with 402 metric tons of wheat, Nasir Nagar-9 projects with 248 metric tons of wheat and Bancharampur-7 projects with 274 metric tons of wheat, said an official press release.

Advocate Abdus Sattar Bhuiyan, MP attended the meeting.

Saving electricity a patriotic duty in Saudi Arabia

DUBAI, Nov 25: Oil giant Saudi Arabia, strapped for cash and unable to meet a dramatic rise in power consumption, is telling its people that saving electricity is a patriotic duty, reports BSS.

The Gulf country, whose coffers were hard hit by the Gulf War and the world slump in oil prices, has launched a media blitz to persuade its 17 million residents to conserve power.

Industry sources said Saudi Arabia has peak load of well over 12,000 megawatts (MW) and will have to increase that by at least 10,000 mw by the end of the century unless usage is drastically reduced.

The government meanwhile has to cover most of the 800 million dollar annual losses of its four consolidated electricity companies and is investing billions of dollars in the most ambitious power expansion plans in the Arab world.

All this to meet consumption demand estimated to have gone up by a spectacular 18 per cent in the past year.

Belt-trimming will not be easy in a country where the state subsidises electricity, which costs a mere five fils (1.3 US cents) a kilowatt.

As a consequence, people habitually leave on their lights and air conditioners even when they go out, but experts and industry sources say all this must change.

"There is no real power crisis for now, but the increase in demand is dramatic and the financial burdens pose a serious challenge for the government," one industry source said.

The Electricity Ministry and power companies have launched a media blitz to persuade the kingdom's 17 million residents to conserve.

Even factories in industrial areas have been asked to ration consumption, diplomats said. Supplies to some new buildings and clients have been put on hold and occasional power cuts have been reported.

"The power wastage is not only being done by the private sector, but also some government offices, and the waste has reached 30 per cent throughout the kingdom," the minister was quoted as saying by local newspapers.

A generous welfare system is at the heart of the problem in Saudi Arabia where the government provides subsidised services to maintain political and social stability, diplomats said.

Consumers pay only one third of the cost of electricity, the government subsidising the rest and providing electricity companies with free fuel.

But the government has already announced a 20 per cent cut in its overall budget slashing spending to 42.67 billion dollars.

Industry sources said the government spends more than one billion dollar to cover the electricity firms' losses and pay their shareholders a seven per cent annual dividend.

The system worked smoothly during the boom years of the 1980s, but diplomats and economists doubt that the government, hard pressed for cash mainly due to lower oil prices and massive Gulf War costs, could maintain the low rates.

Industry and electricity minister Abdul-Aziz Al-Zamel voiced concern over power wastage during the summer, the high consumption season when air conditioners run full till 24 hours a day to battle temperatures sometimes topping 50 c (122 f).

"The electricity companies are not run economically and are having problems raising funds," one industry source said.

"For a government that is in need of cash this is now turning into a serious problem," an economist said.

"The kingdom's cities and industrial sector are growing and expanding at a faster rate than expected and providing power to developing areas is becoming harder by the day."

DNATA bids for ground handling at new HK airport

DNATA, the sole ground handling agent at the Dubai International Airport, has passed the first stage of selection by the Hong Kong Provisional Airport Authority in the bid to provide aircraft ramp (ground) handling at the new Chek Lap Kok airport, due to open in 1997.

According to a press release received here, the company is one of nine, out of an estimated 25 original contenders from around the world, to have passed the authority's prequalification process for the aircraft ramp handling licence at the new airport.

Ismail Ali Albanna, Director, DNATA Airport Services, said: "We are delighted with this endorsement of DMATA's standing and the quality of its airport services. The company's success as a prequalifier also establishes Dubai as a provider of services of International standard."

The Authority will now invite DNATA to submit a business plan, the brief for which is expected to be issued by the authority by the end this month.

DNATA's bid for this licence is part of the company's overseas expansion strategy.

Asian stock markets close mixed

HONG KONG, Nov 25: Asian stock markets closed generally mixed Friday, with share prices falling in Tokyo for the fifth straight session, reports AP.

Tokyo's Nikkei Stock Average of 225 selected issues slipped 34.31 points, or 0.18 per cent, to 18,666.93.

The Nikkei has lost 669 points, or 3.5 per cent, in the past five sessions, largely reflecting concerns about the sharp decline in New York stock prices.

Traders said buying from pension funds buoyed stocks in the morning, but other investors failed to follow suit, many waiting to see how New York shares perform after US markets reopen later Friday following Thursday's Thanksgiving Day holiday.

Meanwhile, the US dollar closed at 98.43 yen, up 0.02 yen against the Japanese currency compared to its close Thursday in Tokyo.

In Hong Kong, share prices closed higher for the second straight day on bargain-hunting.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 10.97 points, or 0.1 per cent, closing at 8,658.83. On Thursday, the index rose 71 points.

Brokers said there was continued bargain-hunting in the market following recent falls that were triggered by the slump on Wall Street.

TAIPEI: Share prices closed higher, boosted by the government's decision to raise the ceiling on foreign institutional investments in individual Taiwanese stock to 25 per cent from 10 per cent. The market's Weighted Index rose 81.80 points to 6,421.82.

WELLINGTON: New Zealand share prices closed higher for the second straight day in quiet trading. The NZSE-40 Capital Index rose 6.05 points to 1,992.22.

MANILA: Share prices closed lower on profit-taking. The Philippines' PSE index of 43 selected issues fell 7.108 points to 2,723.36.

SEOUL: Share prices closed lower in moderate trading. The Korea Composite Stock Price Index fell 5.82 points to 1,079.34.

SYDNEY: Australian share prices closed higher in hectic trading boosted by a recent rally in bonds and a more stable Australian dollar. The All Ordinaries Index rose 24.4 points to 1,910.0.

KUALA LUMPUR: Malaysian share prices closed mixed in light trading, with selective buying of blue chips. The KLSE Composite Index rose 3.98 points to 1,011.52.

SINGAPORE: Share prices closed little changed in quiet trading. The 30-share Straits Times Industrials Index rose 1.35 points to 2,237.75.

BANGKOK: Thai share prices closed slightly lower. The Stock Exchange of Thailand Index fell 7.9 points to 1,349.39.

Bangladesh Nature Society held a reception recently in honour of Zafar Ahmed Chowdhury, Chairman, Executive Committee, United Commercial Bank Ltd. and Chief Adviser, Janata Insurance Co. Ltd. on his being elected as Member of Executive Committee, FBCCI. M Morshed Khan, Special Envoy to the Prime Minister, was present in the reception ceremony as chief guest.