

DThe Paily Star DUSINESS

First with the news,

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Best with the views

Industries minister says

Importers showing interest in newer application of jute

Bangladesh is committed to see the revival of jute to its previous glory and do everything necessary to ensure a bright future for this natural fibre industries Manister A M Zahiruddin Khan said reports RSS

about the future of jute, the minister said Bangladesh has already achieved significant breakthrough in the use of jute through chemical conversion.

The Industries Minister was mangurating a regional seminar on "new applications of jute in the city yesterday.

The International dute Organisation (IJO) in association with the United Nations industrial Development Organisation (UNIDO) and the International Centre for Science and High Technology. Trieste, Italy has organised the two day seminar.

K M Rabbani. Executive Director of IJO and Dr. R Ranganathan. Consultant. IJO, also spoke at the mangural function which was chaired by GL Narasimhan, UNIDO Country Director. Bangladesh.

Khan said besides the proneers, many jute and jute

\$ 300m EC loan

to Palestinian

authority

GAZA CITY. Dec 5: The Eu-

ropean Commission has pu-

shed through a 300 million

dollar bank loan to PLO chief

Yasser Arafat's cash-strapped

self rule authority, chief nego-

tiator Nabil Shaath said today

The loan, repayable over 25

years at four per cent interest

with a five year grace period,

will go to the public and pri-

vate sectors, Shaath said in a

statement sent to news agen

The loan had run into diffi

ulties as the European in-

estment Bank, which handles

he money, had stopped nego-

liations on grounds that it can

only lend to independent

He said that during an in-

ternational donors conference

n Brussels last month. Arafat

appealed on the issue to

Jacques Delors, head of the

Delors intervened and the

European Commission pre-

sented guarantees backing the

Palestinian Authority, said

Shaath who was also in Brus-

Shaath said the loan would

go to the private sector, via

Palestinian banks, to develop

tourism and exports such as

clothing. flowers and agricul-

the authority for long term

projects such as a port, an afr-

port and power supply in the

Part of it would be used by

countries. Shaath said

European Commission.

reports AFP.

goods importing countries are showing considerable interest in the newer applications of this natural fibre.

Already 6.000 tons of pulp and paper have been manufactured during the current year in the country and it hopes to produce 25.000 to 30.000 tons of the items next year, he

The minister informed the seminar that the Ministry of Industries had already initiated a programme of manufacturing pulping machinery for processing green jute and that machines and equipment have been commissioned in some

Production of pulp and paper would bring the dormant capacity of the various pulp and paper mills lying idle due to declining and lack of cellulosic raw materials into fuller activities, he opined.

The seminar, being held at the auditorium of BMDC, is split into four technical sessions jute geo-textiles, jute composites, jute based paper and pulp and jute based fabrics, soft luggage and decoration.

Describing the topic of dis-

CHITAGONG, Dec 5: Export

of jute carpet from Bangladesh

is expected to rise by 25 per

cent this fiscal year (1994-95)

over the last year with an in-

creasing global demand, re-

demand for jute carpet is on

durability and excellent design.

It is also more hygienic than

carpets made of synthetics and

New Zealand, UK, Belgium,

Canada. Italy and Russia import

USA, Australia. Germany,

other fibres.

Officials here said the global

Finance Minister M Saifur Rahman addressing the sponsors of the seven new private banks at Bangladesh Bank

the increase because of its New Zealand and Germany ac-

Banking Secretary Dr ATM Shamsul Huda and Deputy Governors of Bangladesh Bank are also seen in the picture.

Conference Room yesterday. Governor of Bangladesh Bank Khorsed Alam, Finance Secretary Nasim Uddin Ahmed,

cussion as "vital" for the future of jute, the minister said the holding of the seminar is "timely" in the context of continuing erosion of international markets for traditional use of

The seminar is also important in view of increasing realisation about the potential of jute in certain new applications, its diversified use and the global awareness of the environmental aspect of jute. Increasing shortage of cellulosic raw materials putting pressure on forest resources is another aspect which added importance to the seminar, he added

Khan said Jute being the most generous natural fibre in terms of output and resource generation for centuries has become a victim of its own generosity. He mentioned that practically nothing was spent on research and development which has resulted with the dwindling use of this golden fibre. Traditional use of jute being profitable discouraged its research and development, he observed.

The minister expressed his belief that jute would not per-

Jute carpet export likely to

rise by 25pc this FY

jute carpet from Bangladesh.

Malaysia, Japan and some

other Asian countries have

shown keen interest to import

Bangladeshi jute carpet

although export to Russia and

CIS countries is on the de-

count for 60 per cent of the

country's total export of jute

carpet producing country, has

seven carpet mills - three un-

der Bangladesh Jute Mills

Bangladesh, the lone jute

Imports by USA, Australia,

ish like indigo and said as a natural fibre it has a sure future. He firmly stated that jute would emerge as a major natural fibre and cellulosic source in the next century in the context of global environment and social implications.

He further stated that Bangladesh had embarked upon other diversification programme in terms of new application which is the subject matter of the seminar. The future of jute and particularly the country is expected to be benefitted from recommendations of the seminar, he added.

Giving an overview of the seminar. Dr Ranganathan said world jute scenario changed significantly in the last two decades with developing countries increasing their share of jute and jute products from 52 to 80 per cent (which means share of developed countries came down from 48 per cent to 20 per cent).

The decline in the shape of jute and jute products in the developed countries is primarily because of the use of synthetics and other packing materials, he said.

Corporation (BJMC) and four

privately owned. All the seven

metres of jute carpet worth Tk

79.30 million against produc-

tion of 358,497 sq metres in

carpet out of the total produc-

tion of 90,419 sq metres val-

ued at Tk 25.24 million, were

exported by the corporation in

the first four months (July-

October) of the current fiscal

Some 71,194 sq metres of

BJMC exported 228,190 sq

are located in Chittagong.

Decreasing trend in rice-price persists

The price of rice has started to decrease further with the coming of Aman paddy in the market, reports

This was observed in the twenty-ninth meeting of the Parliamentary Standing Committee on the Ministry of Food here at the Sangsad Bhaban yesterday Chairman of the Committee Food Minister Mir Shawkat Ali presided over the meeting, a PID handout said.

The meeting also observed that the intensive operation of Open Market Sale (OMS) of rice and wheat throughout the country has substantially contributed towards stabilisation of overall food situation. The meeting was informed that a total of 1.958 centres were operative for sale of rice and wheat under OMS till last month. About 1,400 tons of rice and 700 tons of wheat were distributed every day under this programme.

Besides, 7.540 atta chakkis were allotted with two tons of wheat to each every month at Taka seven per kg enabling them to sell atta at Taka nine among the consumers specially of the rural areas, the handout added.

The meeting was also apprised that presently about five lakh twenty five metric tons of loodgrains are in government godowns to cope with the requirements.

Members of the committee
M A Matin and Salahuddin
Kamran attended the meeting.
Food Secretary Islamuddin
Malik and senior officials of
Food Ministry and Food
Directorate were present in
the meeting.

Sutherland sees rapid GATT accord approvals

PARIS, Dec 5: US ratification of the new GATT treaty has paved the way for rapid approval by the remaining signatories, said Peter Sutherland, GATT Director-General, in an interview published Monday, reports AP.

By the end of this month's deadline to ratify the Uruguay Round of trade talks, 100 of the 117 nations will have ratified it — 50-55 by midweek, he told the business daily La Tribune Desfosses.

The greatest hurdle to mass ratification was overcome last week when the US Senate approved the accord, despite initial growls among the new Republican majority-to-be. Sutherland said.

"I'm convinced that the problems are behind us," Sutherland said. "I think for example that the European Union's ratification is a given."

US dollar rises against yen

TOKYO, Dec 5: The US dollar rose against the Japanese yen on the Tokyo foreign exchange market Monday, closing above 100 yen for the first time in two months, reports AP.

The dollar ended at 100.54

yen, up 0.96 yen from Friday's close, and the highest close since 100.60 yen on October 11. After opening at 100.44 yen, the dollar ranged from 100.40 yen to 100.75 yen.

The currency's open on

The currency's open on Monday was its first above 100 yen since 100.28 yen on October 12.

The dollar climbed as high as 100.75 yen at midmorning, but failed to rise higher as players moved to make adjustments after their recent dollar buying, said Toshihiko Tabuchi, a Sakura Bank dealer.

Textile mill owners, traders threaten to stop paying taxes

Textile mill owners and traders yesterday threatened that they would stop paying taxes and duties unless the authorities take effective steps by December 16 to protect domestic textile industry, reports UNB.

Apprising newsmen of the adverse effects of smuggling and free market economy, and leakage of fabrics imported by readymade garments sector, they said existence of textile industry is at state amidst a grave crisis.

"The free market policy pursued by the government is responsible for the present dismal situation of Bangladesh's textile industry." said Kaikobad Bhuiyan, convenor of Bangladesh Sammilita Bastra Shilpa Sangram Parishad, an alliance of fabric traders and textile mill owners' associations.

He said the local markets had been flooded with grey fabries imported by the export-oriented garments sector, resulting in closure of as many as 30,000 power looms, out of the country's total 40,000.

Citing an example, he said an export-oriented garments unit, Lushan Garments, had sold out grey fabrics worth Taka 240 crore in the local market, and a case was also filed against the company. Terming smuggling of Indian sarees and cotton fabric as the main obstacle to Bangladesh's textile industry. Bhutyan said the local markets turned into an open market for Indian sarees.

Some six crore pieces of Indian sarees are being smug-

Training at RDA, Bogra ends

A review and re-orientation training cum workshop based on participatory methods concluded at Rural Development Academy (RDA). Bogra yester day, reports UNB.

Jointly organised by Enfants du Monde, a Swiss NGO and Department of Social Services, the workshop was participated by 503 field workers.

Village organizers, trade instructors, union social workers, field supervisors, thana social services officers, deputy directors, additional directors and field coordinators took part.

Secretary of the Ministry of Social Welfare Begum Khudeza Azam. Joint Secretary Mohammad Sirajul Hoq. chief of Swiss Development Cooperation Dr Peter Arnold were present at the certificate distributing ceremony.

gled into the country from India every year, the leader claimed.

He said quality of locally printed sarees is better, but those cannot compete with Indian ones which have been flooding the local markets without paying duties.

Bhuiyan admitted that the prices of local products are comparatively high and attributed it to high duties on imported cotton, yarn, dye and other chemicals. He demanded withdrawal of tax, duties and VAT from imported raw mate-

rials.

He also urged the government to formulate a fresh import policy with adequate protection for the country's textile
industry.

Leaders of Bangladeshi

Saree Byabasayi Samity, Textile Mills Owners Association, Islampur Bastra Byabasayi Samity, Textile Dyeing and Printing Industries Association, Grey-Prastutkarok Byabasayi Samity. Tanti Sangram Parishad, Power Loom Owners Association, Benarashi Byabasayi Samity. Ahsan Manjil Super Market Bastra Byabasayi Samity, Haji-Killa Industries Association, Jamdani Byabasayi Samity, Sirajganj Khudra Byabasayi Banik Samity and Power Loom Association were present at the press conference.



Mustafa Aminur Rashid, Managing Director of Agrani Bank, inaugurating the Computerisation of Branch Banking System at Hatkhola branch of the bank in the city yesterday. Deputy Managing Director Khondker Ibrahim Khaled, General Manager Md Helaluddin, AS Ashrafuddin Ahmed, Deputy General Manager Nasir Uddin Ahmed and Manager Lutfar Rahman of the bank are also seen.

ECNEC okays 4 projects

The Executive Committee of National Economic Council (ECNEC) in a meeting Sunday approved four projects, including Dhaleswari Bridge on the Dhaka-Mawa road, involving Tk 237.9 crore, reports UNB.

The project work of the 260-metre Dhaleswari-1 Bridge worth Tk 16.4 crore will be completed by 1996-97.

Finance Minister M Saifur Rahman, who presided over the ECNEC meeting, directed the authorities concerned to immediately undertake a study for construction of another bridge over the Dhaleswari.

The construction cost of Dhaleswari-2 bridge is estimated around Tk 28 crore. The government will fund the construction of both the bridges from its own resources.

by the ECNEC, of Diarrhoeal Disease Programme is Tk 12.5 crore. The project aims at establishing 460 oral rehydration therapy corners at thana health centres and district sadar hospitals to reduce diar-

rhoeal mortality by 30 per cent.

The ECNEC also approved the revised Meghna Bridge Emergency Maintenance project at a cost of Tk 37 crore. Japan will provide Tk 35 crore as grant for the project.

The ECNEC meeting also approved the IDA-assisted Second Flood Control, Drainage and Irrigation Project worth Tk 219 crore, including Tk 172 crore as aid.

It aims at increasing agricultural productivity by protecting land from flood and salinity. The Water Development Board project is expected to be completed by 1995-96.

Agriculture and Water Resources Minister M Majidul-Hoque, LGRD Minister Abdus Salam Talukdar, Commerce and Information Minister M Shamsul Islam, Industries Minister AM Zahiruddin Khan, Religious Minister M Keramat Åli, State Minister for Textiles MA Mannan and secretaries concerned attended the meeting

BEIJING, Dec 5: China's earnings from tourism this year are expected to jump by about 50 per cent to more

China's tourism

earnings may

Daily reported Monday, says AP.

Statistics compiled by the National Tourism Administration showed that earnings in the tourism industry totalled 3.39 billion dollar in the first

than seven billion dollars, the

official Economic Information

half of 1994, the report said.

China took in 32.27 million overseas tourists in the first three quarters of this year. The figure is expected to reach 43

million for all of 1994, it said.

The number of domestic tourists is expected to reach 450 million in 1994, up nearly

10 per cent over 1993.

Liu Yi. Director of the Tourism Administration, said that earnings from domestic tourist are expected to climb by 10 per cent this year to 95 billion yuan (11.2 billion dol-

E B

self-rule Gaza Strip.

tural produce.

Extension of Closing Date of BPDB's International Tender

বিদ্যুৎ বিল নিয়মিত পরিশোধ করুন

The closing & opening date of Tender Enquiry No. Pur-440/94 Dated 11/10/1994 for Spare Parts for 33/11 KV Sub-Station, PDB, is hereby extended up to 11/01/1995 instead of 4/12/1994 due to some unavoidable circumstances.

As such the Tender will be received up to 11-00 A.M. on 11/01/1995 and will be opened on the same date at 11-30 A.M. in presence of Tenderer or their representative, if any. All other terms and conditions shall remain unchanged.

Biddut/Jan-664(4)94/95

DFP-12209-4/12 G-1922 Director of Purchase PDB, Dhaka, Rahman has once again called upon the bankers to reduce the interest rates on advance. They listened, but perhaps will do nothing, because they can not do anything in this respect even if they want.

Are the lending rates in the

David I Keveny, Senior Director and General Manager of American Express Bank,

Bangladesh, receiving guests at a buffet-dinner hosted at his Gulshan residence yesterday.

Businessmen, officials of different banks, diplomats and elite of the city attended the

Are the lending rates in the Bangladesh economy are too high? Yes, when compared to inflation and deposit rates. An economy which is having only three per cent inflation rate and offering four to five per cent deposit rates, that economy should not preserve a 12 per cent average lending rate.

A market economy can not sustain a gap of between seven and eight per cent in its deposit and lending rates. But in Bangladesh, this gap has been persisting over the last three years. In the past advance rate was even higher, between 15 and 18 per cent with the fall in inflation rate, and that in depositors' rate in the subsequent period now the lending rate is persisting around 12 per cent which is also high by

does it not that our financial had market, especially money en market, has not been functioning? When a financial market

-Star photo

market, especially money market, has not been functioning? When a financial market functions, the rates, whether money market rate or those of capital market, synchronise. But in the Bangladesh economy, they are not behaving such. All these mean that our financial market is not functioning, at least not in the competitive sense.

In a monopoly or a semi-

monopoly, rates or prices can remain above an equilibrium level, but in a competitive market they can not. Hence so much emphasis was given by the economists on the competitive markets. To them, no other markets are markets excepting competitive ones. How to make markets competitive? By withdrawing restrictions, and by helping more agents to participate in the system. For competition, a

By Abu Ahmed
s are not rates is to have a competitive

Mere counselling won't help reduce interest rates

handful of participants are not enough, there must be many more participants, this will outcompete any extra gain someone is having for a period. In the long run, there will be no extra gain for anyone, there will be only one gain for everyone and that is the equilibrium gain. The equilibrium gain we are talking about can be interest rate, price of any commodity, or even the bond price in the market place. The best of rates or prices can be given by a competitive market only, and hence this market is efficient, and no one has anything to say against such a market.

But in Bangladesh, this requirement of a market economy has been forgotten, and by forgetting that we find many people blaming the govt or the Bangladesh Bank. The better way, and surely the only way, to reduce the banks' interest

money market which should be featured by multi-dimensional financial institutions including more commercial banks, and many financial instruments of short-term duration so that the users of money and the lenders of the money

can have the options.

In Bangladesh, we allowed about a dozen big commercial banks in the private sector who together with half a dozen foreign banks could have easily formed an oligopoly. In respect of interest rates, they have done the same thing, that is, together they kept the lending rates high. Why? They have ar guments. They want to say that this is the way they can compensate their past loss incurred by them in the way of bad debt accumulation. Banking in Bangladesh was seen to be a too liberal a business, and as such, no stringent quality of lendings. The borrowers, who in return are directors in most cases in private bankings, are benefited at the cost of depositors' money by not paying back the old debt.

What happened to the na-

restrictions were there on the

tionalised commercial banks? The situation was no better either. They also lost depositors' money in the way of bad advancing. Govt re-capitalised them to the tune of Taka 3300 crore in the way of bond purchasing. But this money is after all tax payer's money. Some people are benefitting from the bad debt, while the nation as a whole is paying for that. This is irony. We demand more reforms in the financial sector which should include the privatisation of NCBs, and permitting more financial institutions in the economy. More instruments will help facilitate the money use, while more in-

stitutions will help a better intermediation. It is unthinkable that the state will allow one set of people to do one kind of business, while it will deny same business to the other set of people. State should not discriminate among citizens regarding business This is also so in the other segment of the financial market like the capital market. Here too, the government is protecting a monopoly in stock exchange business. When a monopoly is protected in a private sector, it does not want to accept regulations, and this is exactly so in the case of the Dhaka Stock Exchange. The government's function should be to break the mo-

should be to break the monopolies and facilitate a competitive system to come up. The government in Bangladesh seems to be engaged in protecting monopoly business. When it understands the fallacy, by the time the vested interest bred by the monopolies gain further ground and withstand strongly against any call for reform