

DHAKA, TUESDAY, MARCH 21, 1995

### Pak export of cotton fabrics rises by 30 pc

ISLAMABAD, Mar 20: Pakistan's exports of cotton fabrics increased by 29.55 per cent in the eight months of the current fiscal year (July 1994-February 1995), as compared to figures of the last year, Federal Commerce Minister Chaudhury Ahmed Mukhtar said today, reports Xinhua.

Speaking at the inaugural ceremony of the fifth Pakistan Textiles and Clothing Fair '95 in the southern port city of Karachi, Mukhtar said during this period, Pakistan exported cotton fabrics worth 660 million US dollars.

He said, there has been a marginal increase of 2.82 per cent in the ready-made garments exports.

The exports of bedwear products have also shown an increase of 5.09 per cent as compared to figures of the corresponding period of last year with exports of 212 million US dollars, he said.

He said, an increase of 14.51 per cent was registered in towel exports where the value of export for the eight months was 100 million US dollars.

### Taiwanese interested to invest

AFP from Karachi says: The leader of a 24-member delegation from Taiwan said here yesterday that Taiwanese businesses wanted to invest in Pakistan and promote two-way trade, reports AFP.

Ronnie Huang, President of Taipei World Trade Centre (TWTC) and Secretary General of China External Trade Development Council (CETRA), said Taiwan was interested in tapping industrial opportunities abroad.

He said Taiwanese businessmen would meet with their Pakistani counterparts to explore investment possibilities here.

Huang lamented what he called the lack of information and contacts between the businessmen of the two countries, saying political difference had been a main hindrance in the past.

### Israel to slash \$400m from public spending

JERUSALEM, Mar 20: The Israeli government announced plans yesterday to slash 400 million dollars from public spending and the same amount from taxes, prompting a 1.5 per cent reduction in interest rates, reports AFP.

Just hours after Prime Minister Yitzhak Rabin and his cabinet approved a finance ministry proposal in a bid to boost the economy, the Bank of Israel brought its prime interest rate down to 15.5 per cent.

The Tel Aviv Stock Exchange soared on the news and the main index climbed six per cent on the day. Traders predicted an influx of industrial investment.

Finance Minister Avraham Shohat drew up the plan at Rabin's demand after the exchange plummeted 40 per cent in the previous six months, angering small investors and businessmen alike.

"Our policy has always been to reduce taxes," Shohat told a press conference. "The plan will be put before parliament for approval in the coming weeks."

## Setting up of country's 3rd EPZ being delayed

The setting up of the country's third export processing zone at Joydevpur under Gazipur is being delayed due to slow pace of work in transferring machinery and infrastructure of the Machine Tools Factory from the project site.

Earlier, the government decided to establish the export processing zone at the place of Machine Tools Factory in Gazipur which will be the third export processing zone in the country, besides the two existing EPZs in Dhaka and Chittagong.

"We are eager to start construction work of the third EPZ at Joydevpur as early as possible, but the project site is

yet to be cleared, senior official of the Bangladesh Export Processing Zones authority said.

He said they have already calculated the preliminary cost for the project. According to him, the cost has been estimated at around Tk 16 crore for the construction work.

It is learnt that the government has closed down the much potential Machine Tools Factory due to consequent losses over the years. The factory has incurred losses about Tk 134 crore since its functioning in 1982. Sources in the BEPZA also said that the setting up of the third EPZ is to be delayed until the machinery

and infrastructure of the MTF is transferred from the place.

Meanwhile, the government has been trying to handover the MTF to the private sector over the years through the privatisation board. But no party showed any interest to buy the machinery.

The factory building and machinery of the MTF are situated on an area of 70 acres of land.

Sources said the book value of the MTF property has been fixed at Tk 1.28 billion while that of the market value at Tk 270 million.

It is learnt that the government is considering to float tenders to sell out the MTF.

### Shareholders on KSE lose \$743m in one week

KARACHI, Mar 20: Small shareholders on the Pakistani stock market lost more than 22 billion rupees (743 million dollars) in one week amid panic selling due to violence here, the central State Bank of Pakistan (SBP) said yesterday, reports AFP.

The 100-index of Pakistan's main bourse, Karachi Stock Exchange (KSE), plummeted by more than 142 points, down from 1,837.74 on March 9 to 1,695.7 on March 16.

The report said that aggregate market capitalisation of all ordinary shares decreased from 348.25 billion rupees (11.6 billion dollars) on March 9 to 325.98 billion rupees (10.87 billion dollars) by March 16, a drop of 22.268 billion rupees.

The SBP general share price index also declined 12.2 points, from 222.43 on March 9 to 210.23 points on March 16.

At the weekend, the index nosedived by 43 points after a convention of businessmen demanded the resignation of the provincial Chief Minister and Governor and decided to observe a strike on March 25.

Analysts said the demand, coupled with the announcement by Muratza Bhutto, brother of Pakistani Premier Benazir Bhutto, that he was forming his own faction of the ruling Pakistan Peoples Party, depressed investors.

National opposition leader Nawaz Sharif's move to meet the self-exiled leader of the ethnic-based Mohajir Quami Movement (MQM), Alaf Hussain, in London also shook the confidence of small investors, analysts said.

Hussain's party has been at loggerheads with the Bhutto government.



Khondakar Ibrahim Khaled (3rd-R), Managing Director of Bangladesh Krishi Bank, addressing the first divisional and regional audit officers' conference of the bank in the city on Thursday. (From right) R A Choudhury, General Manager (Operation), A Q Siddique, General Manager (Audit), (From left) A K Talukdar (Chief, Law), Habibur Rahman, General Manager (Comilla), Dr J C Saha, General Manager (Planning) are also seen in the picture.

## Saudi banks' profit earning in '94 may not reach '93 level

ABU DHABI, Mar 20: A slowdown in the Saudi economy caused by sharp budget cuts and a decline in return from overseas investment is expected to depress the 1994 profits of banks in the kingdom, experts said on Wednesday, reports AFP.

The 12 commercial banks operating in the world's producer and exporter made record profits of around 5.13 billion riyals (1.36 billion dollars) in 1993 due to better investment yield and a surge in credits.

But they will not likely reach that level in 1994 due to a drop in credits caused by economic downturn, an increase in loan loss provisions and lower return from overseas assets, mainly government bonds and stocks.

"Some banks made higher profits in 1994 but others re-

ported lower earnings. There are banks which have not yet released their 1994 balance sheets but I suspect the combined profits will reach the 1993 level," said Anzar Ahmed, Deputy Chairman of the Riyadh-based consultancy centre for investment.

"There are several factors for the slowdown in profits, including the internal economic situation and lower return from international markets," he told AFP by telephone from the Saudi capital.

Nine of the Saudi banks have so far released their 1994 balance sheets, which showed combined net profits of 3.38 billion riyals (901 million dollars).

The balance sheets, published in the Saudi daily Okaz, showed five of them recorded lower earnings while the Saudi-Arabian bank made

record net profits of around 1.01 billion riyals (269 million dollars).

Those with lower profits were the Riyadh bank, the Saudi-British Bank, the National Arab Bank, the Saudi-Holland Bank and the Saudi-Cairo Bank.

The National Commercial Bank (NCB), the Kingdom's biggest bank, has yet to release its 1994 results. But it made high profits in 1993 and last year it boosted its capital from only 30 million riyals (eight million dollars) to six billion riyals (1.6 billion dollars).

The increase was prompted by official instructions to boost capital adequacy in line with guidelines by the basic committee. It also followed restrictions on credits by the Saudi Arabian monetary agency.



H Hulsinga (2nd-L), Regional Coordinator of the Netherlands Management Cooperation Programme for Bangladesh, and Mrs Marjo Lamers (L) of the local Netherlands embassy, called on R Maksud Khan (C), President of the Dhaka Chamber of Commerce and Industry at the DCCI on Saturday. DCCI Senior Vice President Hossain Akhtar (2nd-R) and Vice President Syed Toufique Ali (R) are also seen in the picture.

## Foreign investors fear Hindu militants in Maharashtra

BOMBAY, Mar 20: Overseas investors are nervous as Hindu militants consolidate power in Maharashtra, India's most industrialised state, after outlining a policy of restricting the entry of foreign capital, says AFP.

Bal Thackeray, the charismatic supremo of the Shiv Sena Party, has made it clear the new state government

would be selective about the foreign investments it would allow in the prosperous west coast state.

"We will pick and choose the foreign industries we want," he told a March 14 victory rally in Bombay, India's financial nerve-centre as well as the Maharashtra state capital and the Shiv Sena power-base.

"Why do we need foreigners where we have so many resourceful Indian industrialists. Thackeray said at the massive rally, adding that only in areas where local industry is deficient would foreign investment be allowed.

Maharashtra has received the largest number of foreign and domestic investment proposals since Prime Minister P V Narasimha Rao's government in 1991 launched its market reforms programme.

Industries involving foreign and Indian capital of about 30 billion dollars are in the pipeline in the state. The biggest project is the Enron Power Plant, worth 3.1 billion dollars.

Foreign institutional investors are also major players on the Bombay Stock Exchange, India's largest bourse, and are estimated to hold shares in Indian companies worth 10 billion dollars.

"Foreign investors will cry foul if the Enron project is hit and will hesitate to come in here, warned analyst Pravin Shah of the Foreign Financial Services firm Morgan Stanley.

## Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective on March 20. (Figures in Taka)

Currency	Selling		Buying	
	T.T & O.D	B.C	T.T Clean	O.D. Sight
US Dollar	1=Tk 40.2575	40.2975	39.9350	39.8017
GBP	1=Tk 64.3092	64.3731	62.8024	62.5927
DM	1=Tk 29.3532	29.3824	28.5312	28.4359
F Franc	1=Tk 8.2175	8.2256	7.9854	7.9487
S Franc	1=Tk 28.8104	28.8390	27.9938	27.9004
Jap Yen	1=Tk 35.3566	35.3917	34.3490	34.2343
IR\$	1=Tk 0.4581	0.4585	0.4405	0.4390
IR\$	1=Tk 1.2834	1.2930	1.2618	1.2429
Pak Rupee	1=Tk 1.3063	1.3161	1.2843	1.2650
Iranian Rial	1=Tk 0.0233	0.0235	0.0228	0.0225

A) T. T. (DOC) US Dollar Spot Buying Tk. 39.8683

B) Usance Rate

Days	Rate
30 Days	39.5861
60 Days	39.3033
90 Days	39.0204
120 Days	38.7375
180 Days	38.1718

C) US Dollar sight export bill 3 months forward purchase: To be deducted Tk. 0.20 from OD sight export Bill buying rate.

D) US Dollar 3 months forward sale: Add cushion of Tk 0.20 with BC Selling.

Indicative Rates

Currency	Selling		Buying	
	T.T & O.D.	B.C	O.D. Transfer	O.D. Transfer
S Riyal	Tk 10.7348		Tk 10.5877	
UAE Dirham	Tk 10.9610		Tk 10.8105	
Kuwaiti Dinar	Tk 136.2352		Tk 134.2847	
D Guilders	Tk 25.3990		Tk 25.0413	
S Krona	Tk 5.5832		Tk 5.5013	
Malaysia Ringgit	Tk 15.7767		Tk 15.5583	
Singapore Dollar	Tk 28.4908		Tk 28.0820	

## Prices of foodgrains come down: Mannan

Market prices of foodgrains have come down throughout the country today and will fall further in the coming days, Food Minister Abdul Mannan Bhuiyan said here Sunday.

Talking to BSS at his office, the minister said with the availability of adequate quantities of foodgrains in the market, prices remained static in many places of the country Saturday.

He said already there is a good trend in the market and it will improve further within next few days. He said new crop of wheat is already in the market and the government will start procurement within a few days. The procurement price of wheat will be fixed at the next cabinet meeting.

The Food Minister said this year the crop of wheat was good and the government expects to procure at least

## Move to end oil strike in Kuwait fails

KUWAIT, Mar 20: Striking Kuwait oil workers trying to stop production and exports said their meeting with Oil Minister Abdul-Mohsen al-Mudej failed to resolve the dispute.

The result of the talks is negative," Kuwait Oil Company (KOC) Labour Union General Secretary Anwar Al-Balhan told Reuters after Mudej met Union Chairman Mohammed Al-Sarhan.

Oil Ministry officials were not immediately available for comment.

The talks at the minister's office were the first between Mudej and the Union since hundreds of KOC production and export workers walked out on Saturday to try to halt Kuwait's three per cent share of global output.

Oil traders say neither production nor exports have been affected.

He said new shipment of foodgrains both in the private and public sectors was reaching the country everyday and the harvesting of irri-boro rice will begin next month which will have a rapid effect on the market price.

Mannan said besides ships foodgrains were also reaching the country from abroad across the borders through the land routes and if the horders hesitate now to release their stocks in the market they would have to suffer a heavy loss.

He said the government and the private sectors together had opened LC for around 10 lakh tonnes of foodgrains within the last two years and most of which had already reached the country and the rest would arrive by the second week of April.

## Prices of foodgrains come down: Mannan

Market prices of foodgrains have come down throughout the country today and will fall further in the coming days, Food Minister Abdul Mannan Bhuiyan said here Sunday.

Talking to BSS at his office, the minister said with the availability of adequate quantities of foodgrains in the market, prices remained static in many places of the country Saturday.

He said already there is a good trend in the market and it will improve further within next few days. He said new crop of wheat is already in the market and the government will start procurement within a few days. The procurement price of wheat will be fixed at the next cabinet meeting.

The Food Minister said this year the crop of wheat was good and the government expects to procure at least

### Gaza farmers sell produce to foreign clients directly

GAZA CITY, Gaza Strip, Mar 20: Gaza farmers were to sell produce directly to foreign clients for the first time on Sunday, Palestinian officials told AFP, hailing the deal as a breakthrough, reports AFP.

The Gaza farmer's association and the Palestinian Authority's Ministry of Planning and International Cooperation have worked out the deal with a British firm they identified as international fruit importers.

Association Member Zaher Tamtash said that previously Gaza farmers had to sell their produce to Israeli intermediaries who sold it abroad.

"We have agreed with the authority to export five tonnes of strawberries from Sunday to the British company," Tamtash said.

"If this test succeeds it will be a breakthrough for Gaza and will be the start of regular exports," he added.

Under the deal, an Israeli sub-contractor still transports the fruit from the Erez crossing point between Gaza and the Jewish state to Tel Aviv's Ben Gurion Airport from where it will be flown to London.

"We are getting two dollars a kilo for packaged strawberries," said Tamtash, "whereas from the Israelis we used to get 1.5 dollars a kilo without packing."

## EU-Mediterranean free trade zone soon

CARCASSONNE, France, Mar 20: European Union Foreign Ministers meeting at Carcassonne in Southern France yesterday agreed plans to form over 15 years a vast free trade zone with Mediterranean countries and said they would hold political talks later this year, reports AFP.

The plans will be put to a ministerial conference of 15 European and 12 Mediterranean countries at the end of November in Barcelona, Spain. French Foreign Minister Alain Juppe said.

Juppe who indicated that many of the details of the free trade plan have still to be agreed said that around a dozen Mediterranean countries their names so far unannounced will be invited to the talks.

Before that a troika of EU ambassadors would travel to the invited countries in mid-April to ask for their observations on the plan.

A strategy document would then be drawn up ahead of the next European summit in the Riviera town of Cannes in June, he added.

In Barcelona, ministers would be asked to discuss politics and security, economy and finance and social and humanitarian affairs, Juppe said.

## Dollar recovers in Tokyo

TOKYO, Mar 20: Aggressive dollar-buying by Japan's central bank helped the US currency recover after plunging to a record low Monday against the Japanese yen, reports AP.

The dollar slid back in Tokyo's early trading because of the strength of the German mark and an apparent lack of concerted intervention by the world's major industrialized nations, traders said.

At one point, it fell as low as 88.65 yen, its lowest level against the yen since modern exchange rates were set in the late 1940s. The previous low of 88.75 yen was set on March 8.

In late Tokyo trading, the dollar was quoted at 89.32 yen, up 0.06 yen from late Friday in Tokyo and also above Friday's late New York rate of 89.10 yen. The dollar ranged between 88.65 yen and 89.60 yen during the day.

The bank of Japan bought a total of 300 million dollar to 400 million dollar in a determined effort to prevent the yen from surging, the economic newspaper Nihon Keizai said.

The central bank does not customarily comment on its market activities.

Masahiko Yamaguchi, a dealer with Tokai Bank, said the central bank intervention and dollar buying by some US funds combined to reverse the dollar's downturn.

"But there's still room for dollars to be sold toward the end of this month," Yamaguchi said.

## Iran approves \$54.9b budget

TEHRAN, Mar 20: Iran's 96.1 trillion riel (54.9 billion US dollar) budget for the new Iranian year starting on March 21 was given final approval on Sunday, Tehran radio said, reports Reuters.

The state-run radio said the budget, passed by parliament earlier this month, was approved by the Guardian Council, a body of Islamic clerics and lawyers that vets legislation passed by parliament.

The nominantly balanced budget, up from this year's 69.8 trillion, includes stipulations that aim to limit expenditure and increase parliament's say in how the budget is spent.

Oil revenue, based on 15 dollars per barrel of crude, is projected at 13.5 billion US dollars. The current year's budget drawn up at a time of depressed oil prices, encumbered 10.15 billion dollars of oil revenue.

The bill maintains the general shape of the budget in recent years, oil exports form the bulk of state income, current expenditures outstrip outlays and some 60 per cent of the total budget goes to state industries and banks widely seen as inefficient enterprises.

## Kathmandu Valley faces petroleum shortage

KATHMANDU, Mar 20: The Kathmandu Valley faces an acute shortage of petroleum products, caused by a feud over quality control between Nepal Oil Corporation (NOC) and the Nepal Petroleum Dealers' Association (NPDA), reports AFP.

Petrol stations refused to sell petroleum products and a handful of state-owned stations were open, but had insufficient stocks. Taxi fares have doubled as a result.

The feud was sparked off by an NOC announcement that it would test the quality of stocks held by dealers.

The NOC in a statement Sunday accused the NPDA of

unilaterally backing out of an understanding that stocks would be tested which was reached on Wednesday.

On Thursday, dealers stopped buying petroleum products from the NOC. The NPDA accused the NOC of unilaterally and forcibly going ahead with the testing.

"But the talks with the NPDA in a bid to resolve the crisis is on," the NOC statement said.

Some of the petrol station owners alleged that the products provided by then NOC were adulterated before being supplied to them.



An Iraqi republican guard on Sunday carries a large portrait of Iraqi President Saddam Hussein on the inauguration day of the 336-metre suspension bridge over the River Tigris in Baghdad (in background). The 14th of July bridge, named after the day of the creation of Iraq's republic in 1958, collapsed under Allied aerial bombardments during the 1991 Gulf War. —AFP/UNB-photo