

'Stable political parameters must carry reforms'

Speakers at a seminar in the city Friday underlined the need for establishing good governance through practicing democratic norms with transparency and accountability for the overall development of the country, reports UNB.

"Enabling environment is required to implement policies set for practicing good governance in a country," renowned economist Prof Rehman Sobhan said at the seminar on "Good Governance" at a local hotel.

Describing empowerment, participation and openness as ingredients of good development, Prof Sobhan said political reforms should follow economic reforms.

To carry through reforms which may generate immediate social dislocation requires stable political parameters. If these parameters were disintegrating this could jeopardise the economic reform, he said.

On the fertiliser crisis which ignited clashes and demonstrations across the country, he stressed the need for building a civil society to put pressure for developing well articulated distribution network.

Prof Sobhan, who is the Chairperson of Centre for Policy Dialogue, said decision making process must be freed from political pressure to establish good governance.

Awami League Advisor Shah AMS Kibria, Khaled Abul Hossain, Prof Sayed Abul Hossain, Prof Khondkar Bazlul Haque of Dhaka University, Prof Habibullah, former secretary Nurul Quader and Pro Vice Chancellor of Punjab University Prof Khaja Anjad Sayed also spoke at the seminar organised by National Management Association, President of the association Prof A Mannan Chowdhury presided.

Handloom survey being conducted

Bangladesh Handloom Board (BHD) has been conducting a survey to examine the prevailing situation in the existing handloom industries of the country, reports UNB.

The Liaison Officers of the BHD Basic Centres are engaged in the survey which is expected to be completed by April 15, a press release said.

BHD requested the owners of handloom industries to help the Liaison Officers by supplying factual information about their industries.

Bangladesh Fair in Myanmar Mousumi Industries receives spot orders worth \$ 25000

By Staff Correspondent

Mousumi Industries — a leading cosmetic manufacturing company of the country received spot orders worth 25 thousand US dollars at the recently held single country Bangladesh exhibition in Yangon, capital of Myanmar.

Participating official of the Export Promotion Bureau (EPB) under whose auspices, the fair was held, said, the main objective of the trade fair — to familiarise the Bangladeshi products to the importers and consumers of Myanmar, has been achieved as many spot orders were re-

ceived on pipe, iron, and steel rod, cosmetic, medicine, electronic wires and cables, electric meters, melamine products and car batteries.

The seven day trade fair was held from March 15 to 21. Besides, Mousumi Industries, a number of medicine companies like M/S Acme Laboratories, Beximco Pharmaceuticals have also appointed their agents in Myanmar for the promotion and registration of their products with the concerned authorities. He informed this correspondent.

He said, M/S Rahim Afroz

Co has also found Myanmar a suitable place for marketing their car batteries.

According to him, there is a big market of Bangladeshi products in Myanmar and further steps should be taken to strengthen the relation between these two close neighbouring countries.

In 1993-94 fiscal, Myanmar imported goods worth around 1.16 billion dollars while Bangladesh exported only 8.94 million dollars worth of goods to that country during the same period.

Traders say China to import huge amounts of corn this year

HONG KONG, Apr 1: China will have to import huge amounts of corn this year, traders said yesterday, but that grain is unlikely to get to where it is needed because the country's transport networks remain hopelessly clogged, says Reuter.

"From a market point of view, I would have to say China still needs to import corn, may be three to five million tonnes, because the domestic price is still above the world market," a Chinese trader in Shanghai said.

But rail congestion is worse than ever, and will only worsen every year, so no matter what comes into the coastal areas, you just can't ship it to the interior.

On the face of it, traders and analysts said, China would seem to have enough corn. Traders say production last year was 98 million tonnes, with two million tonnes arriving from the United States and more on order, they said. Exports, usually around 10 million tonnes a year, had been banned.

The official output figure for 1994, generally disputed by traders, was 102.704 million tonnes, 2.5 million tonnes below 1993.

Traders and analysts put demand in the 1994/95 mar-

keting year at about 99 million tonnes.

"The numbers tell me China does not need to import corn," the Shanghai trader said. "The market tells me otherwise."

The official Xinhua news agency said this week that homegrown corn was 1.680 yuh, or 200 US dollar a tonne in southern Guangdong.

Traders said that in southwestern landlocked Sichuan, the biggest pork-producing province, the price had hit 1,700 yuan or 202 dollar a tonne, with prices as high as 1,800 being reported from other inland areas such as Hunan and Hubei.

"Coastal shipping seems to be the only solution for getting the corn into the southern areas," said another trader. "But it still doesn't do anything for Sichuan."

"If the deficit in these areas remains, the price will go high enough to justify trucking the grain in by road. And that means prices have to stay high."

By contrast, US corn was arriving on the eastern coast at a cost of 1,300 yuan (154 dollar), although some middlemen were extracting profits of up to 300 yuan a tonne, traders said.

Efforts have been made by

grain authorities to alleviate southern shortages, with one million tonnes taken from stocks in northeastern Jilin province and shipped south after the Lunar new year holiday of late January.

Deliveries made by rail had taken three months and were almost complete, traders said.

The Chinese analyst said the mainland press had recently reported panic-buying of corn in Jilin because rumours were circulating the emergency shipments were depleting stocks.

"As a result, local market prices in Jilin have gone up," he said. "It is impossible not to import. Having storage in the north doesn't mean there is no problem in the south."

A western agriculture attaché said Jilin farmers were holding two million tonnes of corn, and when they did deign to sell, they were asking 1,200 yuan, or 142 dollar, a tonne.

"Corn is like gold to them, an inflation edge," he said, adding that export bans were unlikely to be lifted soon.

Traders report purchases of US corn by China of more than 200,000 tonnes so far this month, and rumours of more Chinese buying have been buoying international markets.

Capital market development: Pak experience

By Staff Correspondent

The market capitalisation at the Karachi Stock Exchange (KSE), the largest in Pakistan, increased from 1.982 billion US dollars in 1990 to 12.83 billion US dollars in 1994.

This phenomenal growth has made Pakistan one of the leading countries among the emerging capital markets in the world, said Mian Mumtaz Abdullah FCMA, the president of the Institute of Cost and Management Accountants of Pakistan in a keynote paper at the 10th conference of South Asian Federation of Accountants (SAFA) held in Dhaka recently.

The paper, titled 'Capital market development: Pakistan experience' said, the new companies listed in the last four years of eighties (1986-89) were only 91, during the next four years it was 234. In 1994 alone 72 companies were listed.

Giving a brief account of the history of the stock market in Pakistan the paper said, out of the three stock exchanges existing today, Karachi Stock Exchange, was incorporated in 1949 and the Lahore Stock Exchange in 1971.

The third and most recent Stock Exchange has been set

up in Islamabad in 1992. At present the total number of listed companies at Karachi Stock Exchange is 724.

He mentioned four major factors for the recent boom in the capital market.

Firstly, the country has enjoyed reasonable degree of macro-economic stability. The GDP growth rate has, during the last few years, averaged about 5 per cent, but more important factor is the perception of the investors about the economy, which has been favourable, particularly during 1994.

The second important factor is the radical policy of liberalisation and opening up of the entire economic system in general and the financial sector in particular. Perhaps the most significant development during the last three years has been the measures taken by the government to replace the age-old system of administered interest rate structure and quantitative credit control system by market oriented interest rate structure and open market operations for the management of the monetary system in the country.

Thirdly, the reform which has a direct impact on boost-

ing the securities market in the country, is in the realm of exchange control regime.

The policy announced by the government in February, 1991 removed a number of controls and restrictions which had characterised the exchange control regime for a long time. Now both nationals and foreigners can maintain foreign currency accounts in the country and foreign nationals can invest in new industries without any restriction on their stake in the equity of a company.

The fourth factor as the author mentioned, is the expansion and development of corporate sector. Securities market can grow in an environment which encourages incorporation of investment and business activity.

Mumtaz Abdullah said, the stock exchanges have also been active in reforming and reorganising their procedures and regulations. The foremost among the measures taken have been the opening of the membership to corporate members which has given a new dimension to the brokerage profession.

Another important measure was the replacement of the old

KSE 50-index by a more representative KSE 100 in 1991.

The recomposed KSE 100 index has a market capitalisation of Rs 334 billion and captures 80.98 per cent of market capitalisation and 81.15 per cent of market value traded, the paper pointed out.

On the question of future capital markets in Pakistan, the paper observed that the immediate future is not so bright due to political wrangles going on in the country with consequential strain on law and order. Another factor which is affecting the market is the two consecutive interest rate increase by US Federal Reserve with a further increase anticipated in February 1995. This will lead to an outflow of capital from developing markets to US. Another factor is failure of cotton crop in Pakistan and its effect on the textile sector which makes up nearly 30 per cent of the stock market, the paper commented.

In conclusion the paper said, in the long run the future appears to be bright with the energy, cement, and financial sector surging ahead at a fast pace.

Enhance service standard, Mannan to Biman officials

State Minister for Civil Aviation and Tourism Abdul Mannan called upon the Biman personnel to put their best efforts in enhancing the image and service standard of the national flag carrier to make it a truly international airline, reports UNB.

He was addressing the certificate awarding ceremony of Biman's 32nd Basic Flight Services Course at the Bangladesh Airline Training Centre (BATC) today (Saturday).

Civil Aviation and Tourism Secretary Nooruddin Al Masood and Managing Director of Biman Ahab Ahmad also spoke on the occasion.

Later the Minister gave away certificates among 36 Flight stewards, who successfully completed the course, organised by the BATC.

The 16-week course was designed for basic training on flight service with special emphasis on proficiency in both Bengali and English languages.



Major (Retd) Abdul Mannan, State Minister for Civil Aviation and Tourism, is seen with recipients of 32nd Basic Flight Service Course Certificate at Bangladesh Airlines Training Centre (BATC) yesterday. Secretary of Civil Aviation and Tourism, Nooruddin Al Masood and Biman's Managing Director Ahab Ahmad are also seen.

BSC earns Tk 103 cr in 6 months

CHITTAGONG, Apr 1: The Bangladesh Shipping Corporation (BSC) has earned a record revenue of Tk 103 crore in the first six months of current fiscal year.

The BSC had earned Tk 95 crore during the corresponding period of the previous fiscal, according to official report.

The corporation owning 18 ships including 2 lighter vessels earned Tk 190 crore in 1993-94 fiscal, the report said.

The BSC now operates in five global routes including feeder service between Chittagong and Singapore.

Gold soars as US investment funds resume buying

LONDON, Apr 1: Precious metals soared on Friday, amid massive fresh buying from US investment funds, reports Reuter.

Gold jumped to its highest London fix since early October at 392 US dollars an ounce as hectic buying on New York's comex lifted the metal. Silver and platinum were also active, rising above overnight highs to reach 540 cents and 440 US dollars respectively.

Gold briefly touched 400 US dollars an ounce in New York futures trading as the metal also got a boost from higher-than-expected US final fourth-quarter GDP figures.

"The charts look good, the weakness in the dollar and continued fund buying based on yesterday's technical breakout in silver" contributed to the new gains, one New York trader said.

ROK's economy may attain 7.6pc growth this year

SEOUL, Apr 1: South Korea's economy is expected to attain a robust 7.6 per cent growth this year, despite a widening trade deficit, a government think-tank reported yesterday, says AFP.

The Korean Institute for Industrial Economics and Trade (KIET) said that South Korean industries would grow somewhat slower this year following a higher than expected 8.4 per cent Gross Domestic Product (GDP) growth in 1994.

Exports will remain brisk this year and increase by more than 15 per cent to reach 110 billion dollars, helped by a global economic recovery, it said.

Automobile exports are expected to jump by 27 per cent this year to 6.6 billion dollars, the institute said.

The prediction followed a government report in which the Ministry of International Trade and Industry (MITI) predicted the nation's trade deficit this year would reach 12 billion dollars.

The new figure represents almost two times the 1994 trade shortfall of 6.3 billion dollars.

The ministry blamed the rapid appreciation of the Korean won and surging imports and called for anti import measures.

The institute said the Korean won would appreciate up to 740 won per dollar before the end of the year from the current level of 778 won.

ATFP fails to bolster flagging Arab trade

ABU DHABI, Apr 1: Arab states have failed to exploit a key fund they created five years ago to bolster flagging trade among them despite its attractive credit facilities, official figures showed yesterday, reports AFP.

Although the Arab Trade Financing Programme (ATFP) offers loans at easy repayment and interest terms, credits extended to its 22 Arab League members have remained below 20 per cent of its annual capacity of one billion dollars.

Figures released by the Abu Dhabi-based ATFP showed it had received 43 credit applications in 1994 with a value of around 198 million dollars but it approved 35 applications worth 130 million dollars.

It was the highest level of credits the fund has endorsed since it was established by the Arab Monetary Fund (AMF) in 1989 the figure brought to around 500 million dollars the total loans provided by the ATFP.

"Considering its annual financing capacity, this means that the fund is running at 10 per cent of capacity," said a source close to the AMF.

The AMF, which is overseeing economic reforms in the region, contributed half of the ATFP's capital. The rest came from other regional financial institutions, including the Islamic Development Bank.

Its operations cover only

home-made products, except oil, with the aim of encouraging productivity as part of the reforms.

Experts said demand for ATFP credits had picked up in the past two years because inter-Arab political rifts were easing. But they noted the value of credits sought by members remained low as commercial deals are small.

"Most of the commercial transactions financed by ATFP did not exceed an average 20 million dollars each. This is because Arab non-oil exports are limited and their industries are similar," one expert said.

"Another key factor is that Arab products cannot compete in some regional markets that are open to products from other countries."

Arab states still impose high customs tariffs on imports from each other despite a 1970 agreement on removing customs barriers as part of attempts to integrate their economies.

Most of the crude exports are to Japan, Europe and other industrialised countries.

The ATFP project includes the establishment of a computerised trade data network that will link Arab markets and disseminate information on products, demand, supply, prices and economic indicators in each member state.

Feeder services between Ctg, Colombo via Mongla urged

CHITTAGONG, Apr 1: Garment exporters here yesterday called upon Bangladesh Shipping Corporation (BSC) to introduce feeder services between Chittagong and Colombo via Mongla to facilitate smooth export of garments to different countries.

Talking to BSS, some garment exporters pointed out that Singapore Port was realising higher port and handling charges from exporters and that the demand for cargo space on Colombo line, from Bangladesh had increased manifold and there was now a bright scope for BSC to introduce feeder services between Chittagong and Colombo via Mongla.

The garment exporters hoped that by opening feeder services between Chittagong and Colombo via Mongla, BSC would be able to earn a lot of foreign exchange while Bangladesh garment exporters would also be benefited.

The garment exporters have, meanwhile, approached the Ministry of Shipping and the Chittagong Chamber of Commerce and Industry to help expedite introduction of feeder services between Chittagong and Colombo.

Govt's free market economy ruining farmers: Menon

By Staff Correspondent

The general secretary of Workers Party Rashed Khan Menon alleged Friday that the government took the policy of ruining the farmers in the name of free market economy.

Addressing a representatives' meeting of the party's Dhaka city unit, Menon said Awami League and others were talking about government's corruption, but are silent about policy recommendations of the donors.

The government was not taking action against black marketers who created food and fertiliser crisis, but killing those who were agitating against wrong doings, he alleged.

The Workers Party leader called upon the people to make the tomorrow's Mottijheel gherao programme a success, observe Special Powers Act repeal day on April 6 and day long hartal on April 11 as announced by the Left Democratic Front.

Presided over by Nurul Hasan, the meeting was also addressed by party leaders Bimal Biswas and Kamrul Ahsan.

KIB wants BADC to distribute fertiliser

The Krishibid Institution Bangladesh (KIB), a forum of agriculturists, Friday pleaded for the BADC to distribute agri inputs including fertiliser to end the present fertiliser crisis, reports UNB.

KIB President Dr Ayubur Rahman and Secretary General Javed Iqbal, also called upon the government not to apply its privatisation policy in agriculture, distribution and marketing of agri-input in particular.

The KIB leaders, however, suggested to reorganise the overall management of the BADC (Bangladesh Agricultural Development Corporation) to strengthen its institutional skillness and reduce misuse.

They also criticised the government's decision to distribute fertiliser through International Fertiliser Development Centre (IFDC), said a press release.

Needham suggests creation of jobs for South Africa

JOHANNESBURG, Apr 1: The British Trade and Development Minister Richard Needham has proposed joint efforts by South Africa, India, Japan and Britain in order to create much-needed jobs in South Africa, says PTI.

Revealing this here, prominent London-based non-resident Indian industrialist Swraj Paul, recently in South Africa, told PTI that the Pretoria government was very sincere and committed to foreign investment.

Paul, Chairman of the Caparo Industries, is part of a 40-member British business delegation, led by Needham, which concluded its visit to South Africa here yesterday.



The chairman of the big government-owned troubled loss-making French bank Credit Lyonnais Jean Peyrelevede (R) listens as French Finance Minister Edmond Alphandery (L) explains the new rescue plan for the bank which includes lay-offs of 1500 employees between spring '95 and '96.