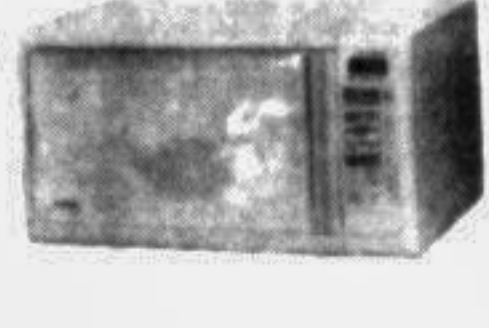


**SANYO**  
Family Size Microwave Oven  
7L 10,800  
Free Cooking Book



# The Daily Star

## BUSINESS

DHAKA, SUNDAY, JULY 9, 1995



**HYUNDAI**  
CARS THAT MAKE SENSE

### India emerges as world's largest sugar producer

NEW DELHI, July 8: India's sugar production during 1994-95 is estimated at an all time record of 143 lakh tonnes, and the country has emerged as the world's largest sugar producer, says PTI.

The Union Food Minister, Ajit Singh, Friday told the parliamentary committee attached to his ministry that due to this regulatory measures imposed to enhance sugar availability to the consumers have been relaxed.

Singh, however, clarified that the policy of partial control with a dual pricing system would continue to be followed under which the government is entitled to procure 40 per cent of the sugar produced by each factory as levy sugar for distribution through the public distribution system.

The remaining 60 per cent of the sugar produced was released through the mechanism of monthly release for sale in the open market.

Regulatory measures included enhancement of stock, stock holding limits and turnover period for sugar and khandasari dealers to double the previous limits and scrapping of gur (control) order 1994.

India, which produced 120.47 lakh tonnes of sugar in 1990-91, is estimated to produce 160 lakh tonnes during 1995-96, Singh said.

### US wants Caspian oil pipeline to pass thru' Turkey

WASHINGTON, July 8: President Clinton's administration wants an oil pipeline from the Caspian Sea area of the former Soviet Union to pass through Turkey, State Department spokesman Nicholas Burns said Friday, reports AP.

"It's one of the most important issues facing the United States, Turkey, Russia, Azerbaijan, Iran and other countries (including) Georgia, for the future," he told reporters at the department's daily news briefing.

He explained that the Caspian oil deposits may be the greatest source of oil for the world in the next century, after the Gulf region.

The President and Secretary of State Warren Christopher have discussed the issue with Turkish officials, he added.

Burns said there are many pipeline routes available, and that the reserves were so great there would likely be multiple pipelines.

He went on to say the United States would be interested in seeing that "at least one of the pipelines... go through Turkey to Turkish ports."

"That is something that is under active discussion," Burns said.

The decisions will be made by the oil businesses, but they will look to governments for guidance and governments will help provide credit for multi-billion dollar projects, Burns said.

### Rice issue: DPRK freighter arrives in Tokyo

TOKYO, July 8: A North Korean freighter arrived in Tokyo port yesterday to pick up the first consignment of 300,000 tonnes of rice Japan had promised to deliver to the Communist state, says Reuters.

The 9,430-ton Samilpo was scheduled to depart for a North Korean port on July 18 after loading 8,000 tonnes of rice, Japanese officials said.

"But it could be delayed due to rainy twists," one official said.

After two and a half weeks of long negotiations in Tokyo last month, the two countries reached an agreement under which Japan would provide 300,000 tonnes of rice to North Korea, half of it contract with a 10-year grace period.

After the first shipment, North Korean ships will load additional rice at other Japanese ports in Osaka, Nagoya and Niigata within several months, according to a government document obtained by Reuters.

Japanese officials including Prime Minister Tomiichi Murayama have said the rice deal can pave the way for the two countries to resume long-stalled normalisation talks.

### China to get \$27m loan from WB to fight IDD

BEIJING, July 8: The World Bank is to grant a 27-million-dollar loan to China to help the fight against widespread iodine deficiency disorder (IDD) that is stunting the development of millions of Chinese, a report said today, says AFP.

The loan is to make nearly 18 per cent of the 152.29 million dollars needed for China's efforts to achieve the universal iodisation of salt by the end of 1996 and to eliminate IDD by 2000, the China Daily said.

The World Bank funds will finance the production, iodisation, packaging and distribution of iodised salt, the report said.

Some 450 million of China's 1.2 billion people live in iodine-deficient areas, accounting for nearly half of the world's population living in regions where the vital element has been leached from the soil over the ages.

## Sonali Bank okays Tk 770 cr as loan for 4683 projects

Sonali Bank has sanctioned Taka 770 crore as credit for the country's 4683 industrial projects during the last fiscal year, says a press release.

It may be mentioned that the bank has invested Taka 70 crore more than the target in the industrial sector during the period.

The bank has thus created employment opportunities for 29,400 people.

Sonali Bank also sanctioned Taka 13.40 crore to 53 projects under its Credit Guarantee Scheme meant for new entrepreneurs who did not have any collateral securities.

A sum of Taka 25.85 crore was sanctioned to 4043 small and medium-sized industrial units under the special Credit Scheme.

A total of 52 sick industries were rehabilitated and in this connection an amount of Taka 60.42 crore was disbursed. In addition, Taka 670.00 crore was sanctioned to 553 heavy and medium industrial units.

The industries financed by Sonali Bank include Composite Textiles, Cement Factories, Paper Mills, Cold Storages, Spinning Mills, Shoe Industries, Food-Processing Industries, Fish-Processing Industries, Dyeing and Finishing Industries, Cloth and Garments Industries, Chemical Industries, Engineering Industries and Agro-based industries like Poultry, Pisciculture and Livestock Farms.

### Keating pledges to solve economic problems

CANBERRA, July 8: Australian Prime Minister Paul Keating has said he does not intend to run around like a headless chicken in response to the country's economic problems, reports AFP.

Australia's overseas accounts plunged into a record deficit of 2.9 billion Australian dollars (2.1 billion US dollars) in May, according to official data released Friday.

The current account deficit is regarded by most economists as a reflection of Australia's dependence on overseas funds for investment.

Keating told a meeting of business people in Melbourne on Tuesday that panicking about the data would not improve the situation.

He said the government had addressed the problem by outlining a budget surplus for the year to June 1996 and by introducing compulsory employee pension fund contributions.

Both measures, combined with sustainable economic growth, would improve national savings and ease the need for foreign funds.

"In other words, we've got the position covered," Keating said.

"We are actually going to go in there and govern the place like we've been doing now and we'll come out the other side as always in a pro-growth phase," he said.

### Balanced dev aim of govt: Lutfor

State Minister for Industries Lutfor Rahman Khan yesterday said present government is implementing massive development programmes for a balanced development of all parts of the country, reports BSS.

He was exchanging views with the leaders of Dhaka-based Tangail Sanghadik Parishad here.

In the meeting, journalists drew attention of the state minister on different problems of Tangail particularly communication, industrialisation and infra-structural development.



Golden Eagle Air Ltd, GSA of Swissair, held a reception to meet Elton D'Souza, Manager, Passenger Sales/Marketing, Swissair for India, Nepal, Bangladesh and Bhutan. A raffle draw was held on the occasion. D'Souza is seen handing over a Swissair ticket to S N Das of Olympic Travels while Sherene Maitra, GSA Coordinator, Swissair and Azmat Moyeen, Managing Director, Golden Eagle Air Ltd, look on.

## Economic development in Bangladesh praised

The economic development in Bangladesh was highly praised at a meeting held between the British envoys in the South Asian Nations and the South Asia Advisory Group of the Confederation of British Industries (CBI) in London Thursday, reports BSS.

The British High Commissioner to Bangladesh, Peter J Fowler, giving an account of the state of economy in Bangladesh to the select gathering of the captains of British trade and industry, described vividly the pace of development and progress taking place in the country, a message received here.

"Bangladesh's exports are rising sharply, its foreign exchange reserve is satisfactory, debt ratio is moderate and declining with a stable take offers a good ground for foreign investors," Peter J Fowler said.

The meeting of the group with the British envoy in South Asian nations like Bangladesh, India, Pakistan, Sri Lanka and Nepal submit their country report annually to boost their business in the region, the message said.

Howard Davis, Director General of the CBI welcomed the guest who included newsmen, analysts, bankers, investors and industry watchers as well as the representatives from the embassies of the South Asian nations based in London.

Dr AFM Yusuf, High Commissioner of Bangladesh to Britain, MM Reza, Economic Minister of the embassy and members of visiting delegation from the Federation of Bangladesh Chamber of Commerce and Industries also attended the meeting.

Peter J Fowler, in his presentation, noted the changes in Bangladesh with the reforms introduced during the past few years observing that the country is successfully reducing its burden on aid dependence.

He reported that Bangladesh is now able to finance over 40 per cent of its annual development programme from its own resources while pointing out that it has been sanctioned two billion dollars by the Aid-to-Bangladesh consortium this year.

He cited that there is no shortfall of capital with a buoyant stock exchange, which is one of the fastest growing bourses in the region, attracting further capital. "Domestic savings is also increasing with non-resident Bangladeshis remitting a good amount of foreign exchange in remittance while working abroad," he said.

On the environment for trade in Bangladesh, Fowler told the barons of British business that the reforms has resulted in reduction of tariffs by a considerable degree. "Besides, there is a good communication link with the rest of the world," he also said.

Fowler reassuring the investors and business persons on the situation in Bangladesh said that the country have no city like Karachi or problems like Sri Lanka in terms of violence.

He also categorically rejected that fundamentalists are stalking the country.

However, Fowler offered some critical remarks about the weaknesses of bureaucracy, commercial courts and regulatory bodies standing in the way of smooth functioning of trade and investments.

The second session of the conference was chaired by Iain Dale, Chairman of the South Asia Advisory Groups of CBI.

Presenting his country reports, British envoy to India, Sir Nicholas Fenn, observed that India still faces immense barriers to her development from the illiteracy, communalism, corruption, caste system etc.

He also warned against the rapidly rising population, of 910 million which is expected to exceed that of China by the year 2000. He cited poverty as another factor hindering development as one-fourth of the 910 million people live in extreme poverty.

### Jobless rate declines, stocks surge in US

WASHINGTON, July 8: The US unemployment rate dipped to 5.6 per cent in June in the strongest evidence yet that the economy can avoid a recession. Stocks surged past the 4,700 mark, bolstered by the good economic news and the Federal Reserve's interest rate cut, reports AP.

Meanwhile, the United States and Japan staged a surprise move to support the dollar, trying to make sure Thursday's Fed move didn't backfire in currency markets.

The Labour Department said Friday that payroll employment grew by a brisk 215,000 in June with the strongest gains recorded in construction and in services such as restaurants and recreation centres.

The growth was double what analysts had been expecting. Additionally, the government revised away some of the job weakness it had previously reported for April and May.

"The employment report was a major surprise. It certainly suggests that fears of a recession had been overrated," said David Wyss, economist at DRI-McGraw Hill Inc.

Still, economists did not fault the central bank's rate cut, ordered a day before the employment figures were released and seen as an effort to keep the economy from sliding into recession. They noted that there are still sizable pockets of weakness,

### 156 projects in Barisal completed under special relief programme

BARISAL, July 8: A total of 156 projects at an allocation of 2,107 metric tons of wheat in ten thanas of Barisal district were completed under special relief programme during the current season, says BSS.

According to an official source, the projects included the repair of roads, levelling of fields, reexcavation of ponds and canals.

Of the total, 36 projects were completed in Barisal sadar thana at an allocation of 535 metric tons of wheat, 28 projects in Bakergonj at an allocation of 360 metric tons of wheat, one project in Mehergonj at an allocation of 20 metric tons of wheat, five projects in Hilla at an allocation of 84 metric tons, eight projects in Muladi at an allocation of 144 metric tons of wheat, 13 projects in Banaripara at an allocation of 167 metric tons of wheat, 19 projects in Babugonj at an allocation of 202 metric tons of wheat, three projects in Wazirpur at an allocation of 38 metric tons of wheat, two projects in Gournadi at an allocation of 13 metric tons of wheat and one project in Agoljkhara at an allocation of 13 metric tons of wheat.

More land brought under intensive jute cultivation in Barisal

BARISAL, July 8: A total of 60,499 hectares of land have been brought under intensive jute cultivation in eleven districts under Barisal region of the Bangladesh Agriculture Extension Department during the current rainy season, reports BSS.

The districts are: Barisal, Jhalakati, Bhola, Pirojpur, Patuakhali, Barguna, Faridpur, Madaripur, Gopalganj, Rajbari and Shariatpur. The production target is 6,73,495 bales of jute.

Of the total, 55,331 hectares have been brought under 'tosha variety' and 5,168 hectares under 'local variety' of jute, the source added.

Altogether 1,793 hectares have been brought under cultivation in Barisal district, 90 hectares in Pirojpur, 85 hectares in Jhalakati, 78 hectares in Patuakhali, 88 hectares in Barguna, 169 hectares in Bhola, 18,800 hectares in Faridpur, 13,912 hectares in Madaripur, 7,685 hectares in Gopalganj, 11,446 hectares in Rajbari and 6,355 hectares in Shariatpur districts.

### First Bangladesh trade fair in Los Angeles in September

By Staff Correspondent

The first Bangladesh Trade and Investment Fair in America will be held in Los Angeles from September 24 to 26 next.

The United States-Bangladesh Chamber of Commerce (USBCC) is organising the fair with the help of Export Promotion Bureau (EPB).

In a press conference at the EPB yesterday, the USBCC President, Zahangir Sayem, said there is no clear cut idea about Bangladesh in the US. So we want to inform them about our country by organising trade fairs.

He said the fair is likely to be inaugurated by the US Vice President or Commerce Secretary. There will be several business seminars and cultural programmes during the fair.

Dr Sayem said demands of many Bangladeshi products such as garments, knitwear, sea food are high in the US market. By participating in the fair, businessmen of our country will be able to enter into the multi-billion dollar US market, the USBCC president said.

### 'Interest free loan to be given to the poor'

An inter-ministerial meeting yesterday decided that the Land Ministry will incorporate the city corporations in its poverty alleviation project, reports UNB.

The decision was taken at the meeting on "poverty alleviation project for the landless poor peasants" with State Minister for Land M Kabir Hussain in the chair.

The meeting said interest free loans will be provided to the poor people, specially who are engaged in lower professions for income generation.

The trained officers of the Youth Department will identify these people and provide them mobile training facilities. They will also be responsible for giving them loans and recovering the same.

The concerned Deputy Commissioners of the district will also act as the project directors of the project.

State Minister for Youth and Sports Sadeque Hossain, Land Secretary A H M Hasnat Abdul Hye, Additional Secretary in-charge of the Youth and Sports Ministry Ahab Ahmed and high officials of the Land and Youth Ministry attended meeting.

## USBCC President tells The Daily Star Economic policies favourable for foreign investment

By Rafiq Hasan

Bangladesh's existing liberal economic policies are favourable to attract foreign investment," observed Dr Zahangir Sayem, president, United States-Bangladesh Chamber of Commerce (USBCC).

In an exclusive interview with The Daily Star he said, now we need extensive promotional activities abroad to inform the foreigners that Bangladesh is also a good place for investment because everywhere it is mentioned as a poor and flood-affected country.

He said, although, the government's policies are attractive, due to some hurdles in the implementation stage it does not act properly. If some minor changes in major areas, such as, quality control, timely shipment and timely correspondence could be ensured, the export sector would get a boost, he added.

The USBCC was established in 1994, with a view to promoting Bangladesh export to the US and US export to Bangladesh.

"To promote US investment opportunity in Bangladesh is also an important objective of our organisation," he mentioned.

Dr Sayem, who has been living in

US since 1982, has pointed out that American investors were not interested to invest in Bangladesh because the Bangladeshi counterparts are not reliable.

"They are afraid of losing money because the counterparts of the investment are not dependable," Dr Sayem said.

In this regard he stressed on massive training programme of the managers and labours. "Bangladeshi labours are cheap but not productive," he commented.

According to him, there is a great opportunity for Bangladeshi products in the US market but to achieve that goal more honest businessmen will have to be involved.

USBCC is going to organise the first 'Bangladesh trade and investment fair in America at Los Angeles. The fair will take place at Hotel Marriott on 24 to 26 September.

Explaining the objective of the fair the USBCC president said, "To meet sellers and buyers personally and get competitive exposure is the main objective of the fair."

He expects that about 60 leading exporters from Bangladesh would participate in the fair.

About the future plan of the USBCC, Dr Sayem said, "after trade fair we want to open a show room and sales centre at Los Angeles for Bangladeshi products and an export academy in Dhaka to train mid-level managers and entrepreneurs."

USBCC is not assisting only Bangladeshi entrepreneurs living in US but also other minority entrepreneurs living in US who is interested in doing business with Bangladesh, he said.



Dr Zahangir Sayem

## Non-resident Bangladeshis seek political stability for investment

Non-Resident Bangladeshis (NRBs) in Europe, being wooed by a visiting FBCCI delegation for investment, have expressed concern over political impasse.

"The current issue was between the political elite," a press release quoted Salman F Rahman, the leader of the delegation, as saying in response to anxious NRBs.

According to the press release, faxed to UNB yesterday, Salman Rahman said: All citizen and particularly the private sector demanded democracy is consolidated and political stability is brought about as the private sector remained responsible for spearheading the economic development.

"The country belongs to all and no community has the right to destroy its institutions, economy and honour."

British Minister for Foreign and Commonwealth Affairs Tony Blair, during his meeting with the delegation, also indicated that political uncertainty in Bangladesh would be a concern to potential British entrepreneurs.

The delegation, in the first leg of its month-long investment seeking mission, has toured prominent European cities, including Stockholm, Paris, Hamburg, London, Manchester and Edinburgh, where they met both the NRBs and local entrepreneurs.

On every occasion, the visiting Bangladesh delegation portrayed, through slide exposition, the country's political, social and economic achievements, in an attempt to better its image before foreign investors.

The delegation also met British Minister of Consumer Affairs Earl Fer-

## Karachi violence hasn't affected economic prospects: Benazir

KUALA LUMPUR, July 8: Pakistan Prime Minister Benazir Bhutto, in Malaysia to seek investments for her country, said today violence in Karachi has not affected the economic prospects of Pakistan, reports Reuter.

Bhutto, speaking near the end of a four-day visit, said that Karachi, Pakistan's biggest city and economic power house, was only one part of the country and investments were flowing into other economic centres in Pakistan.

"Karachi is one part of a very large country called Pakistan and we have massive investments coming all over Pakistan as well as investments in Karachi," she told reporters.

Pakistan's southern city of Karachi was paralysed for the second day today by a strike called by the ethnic Mohajir National Movement (MQM).

The MQM called for its two-day strike to be extended into tomorrow and Monday after the death on Friday of former councillor Aslam Sabzwari, who was arrested by police on Thursday.

The group has vowed to close down Karachi every weekend until the government releases detainees and arrests those involved in the alleged gang rape of an MQM activist's sister and the killing of an MQM leader.

About 1,000 people have died in ethnic, sectarian and political violence in Karachi this year. The MQM wants more rights for Karachi's majority Mohajirs — urdu-speaking

Muslims who migrated from India after partition in 1947.

Bhutto said peace talks in Islamabad between the MQM and the government, scheduled for Sunday, are a starting point for negotiations between the two sides.

Confidence in S Africa's econ improves slightly

JOHANNESBURG, July 8: Confidence in South Africa's economy among business people recovered slightly in June despite fears over labour unrest, the South African Chamber of Business (SACOB) said on Thursday, reports AFP.

SACOB said their business confidence index still had to return to the higher levels recorded earlier this year and that June's improvement showed the mixed feelings in the country's prospects.

The dispute between business and organised labour over a new labour relations act and the possibility of strikes in several major sectors were negative factors, SACOB said.



South Korean President Kim Young-Sam (R) toasts with South African President Nelson Mandela during dinner hosted by Kim at Blue House in Seoul on Friday. During talks, the two leaders agreed to expand trade and economic cooperation between their countries. — AFP photo