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# The Daily Star BUSINESS

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## Bangladeshis abroad remit Tk 36198.8 cr till June '95

The total remittances from the Bangladesh expatriate manpower from 1976 to June this year amounted to Taka 36198.8 crore, according to figures released by the Ministry of Labour and Manpower yesterday, reports BSS.

The remittances which were Taka 35.85 crore in 1976 rose to Taka 1752.85 crore in 1986. In 1994, Taka 4629.63 crore was remitted by the Bangladeshis abroad and according to provisional figures Taka 2484.34 crore in 1995.

In 1993 the remittances — which mainly came from Saudi Arabia, Kuwait, UAE, Qatar, Iraq, Libya, Oman, Malaysia, Korea and Singapore — stood at Taka 3986.97 crore.

Saudi Arabia, which is the biggest importer of Bangladesh manpower, employed a total of 713738 people from 1976 to 1995, followed by Kuwait 201644, UAE 171938, Qatar 75566, Iraq 66343, Libya 39390, Bahrain 53130, Oman 182453, Malaysia 161067, Korea 2214, and Singapore 8647.

Out of this number a total of 63,303 Bangladeshis workers returned from Kuwait and Iraq following war in 1990.

## Country received \$17.5m FDI last year

By Rafiq Hasan

Bangladesh, in quest of attracting foreign investment over the years, received only an estimated 175 million US dollars as Foreign Direct Investment (FDI) in 1994.

The figure, prepared by the Policy Implementation and Analysis Group (PIAG), an USAID-backed organisation, is not favourable with our neighbouring countries — where the amount of foreign investment was much larger during the same period.

It was said in its latest issue of Industrial policy quarterly of the PIAG that during the period, the amount of FDI was US dollar 1.7 billion in Vietnam, 2.1 billion in Thailand, 3.5 billion in Malaysia, 4 billion in Indonesia, and 33.8 billion in China while the investment registration in the Philippines, Cambodia, and Myanmar running 14 billion, 1.5 billion and 2.4 billion respectively.

In 1994, there was over 200 billion of foreign investment worldwide and approximately 80 billion of this went into developing economies", the report said.

Attributing the reason for investment report said, when a company sees a good return of its capital, then it becomes interested to invest in a country.

A compelling reason for a foreign investment would be because of some comparative advantage for the envisioned business such as low labour cost, an energy supply, such as natural gas, or attractions, such as, beautiful beaches", it added.

The report mentioned a package of reasons for attracting foreign investment in large-scale.

Those are (1) adequate infrastructure (power, telecommunications, roads, ports, etc), (b) a legal system that works (c) lack of excessive restriction and regulations (d) stable political environment (e) an educated and trained workforce (f) a well-functioning financial system (g) convertible currency (h) large markets (i) decent government (j) growing domestic private investment (k) stable and sensible economic policies

(l) a low and broad tax base (m) willing workers (n) special investor incentives and investors cultural affinity for the country.

According to the report, local and foreign investors rate Bangladesh poorly on the first three areas of above list-adequate infrastructure, a legal system that works and a lack of excessive restrictions and regulations.

On the other hand, although, some of the regional countries such as Cambodia, Myanmar, Vietnam and China are in as bad or worse position than Bangladesh in some or all of those categories are growing faster, the report comments.

According to the Board of Investment (BOI) 70 per cent of Bangladesh's registered investment is from companies of Japan, Malaysia, Hong Kong, Singapore, China and South Korea. Almost 80 per cent of the Bangladesh Export Processing Zone Authority's investment is from East or Southeast Asian countries.

## Saifur says Tk 1500 cr earmarked for poverty alleviation

Minister M Saifur Rahman has said, the government is pursuing various policies and programmes for improving the lot of the landless and distressed women, reports BSS.

A PID handout said the minister was addressing a gathering of several thousands of landless women at Srimangal under Moulvibazar district yesterday.

Organised by the Association for the Social Advancement (ASA), the meeting was also addressed, among others, by ex-minister M Azizul Haque.

Referring to various measures of the government for poverty alleviation the Finance Minister said, a total of Taka 1500 crore has been earmarked for various poverty alleviation programmes under the current year's Annual Development Programme (ADP).

The Grameen Bank had also disbursed Taka 800 crore as rural credit for poverty alleviation during the last financial year. Most of the beneficiaries of Grameen credit are women, he said.

According to the handout, "ASA" has so far disbursed Taka 230 crore as credit among three lakh landless women under its poverty alleviation programme. The Palli Karma Sahayak Foundation (PKSP) also sanctioned more than Taka 13 crore for disbursement among the distressed women.

Later, the Finance Minister also distributed credits among the landless women.

## Employment crisis in Cambodia

PHNOM PENH, July 15: About 1,230 teaching graduates from Phnom Penh University face unemployment because of a shortage of teaching positions in government schools, University Rector Var Sinsomreth said yesterday, reports Reuter.

"This year's unemployment rate is increasing more than the previous year," he said. "They will have no job unless the government offers them work."

Ministry of Information spokesman Sieng Lapresse said one solution might be for the graduates to seek work overseas.

## Japanese makers step up purchase of US car parts

TOKYO, July 15: Japanese car-makers stepped up purchases of US-made car parts in the last business year and easily achieved their "voluntary" target of 19 billion US dollars worth of US components, the firms' industry body said yesterday, reports Reuter.

The automakers purchased a total of 19.86 billion US dollars worth of US car parts in the year to March 1995, mostly for their factories in the United States, the Japan Automobile Manufacturers Association said.

The purchases were up from a combined 15.54 billion US dollars the previous business year.

In January 1992, when former US President George Bush visited Tokyo with heads of the US "big three" automakers, Japanese carmakers offered to "voluntarily" buy 19 billion US dollars worth of US auto parts in the year to March 1995 as part of efforts to defuse trade tensions with Washington.

When the United States and Japan reached agreement in their recent automotive trade talks, Japanese car makers said they would try to purchase more parts for their operations in the United States in coming years.

## Most Russians unable to afford nutritional things

MOSCOW, July 15: Most Russians spend more than half of their family budget on food, but are still unable to afford nutritional things like meat and fruit, according to a new study released Friday, reports AP.

The survey by the Russian Public Opinion Studies Centre showed shrinking consumption even of such relatively cheap foods as potatoes, bread and cereals.

Just getting enough to eat takes so much money that one in three Russian families have nothing left over for big-ticket items like medical care, education or vacations, it said.

The results were reported by the Interfax news agency.

If correct, it suggests things are getting worse for most people. In 1993 for instance, Russians were spending about 46 per cent of their family budgets on food.

The State Statistics Committee says 42.2 million Russians, or 28 per cent of the population, are now below the poverty line — earning less than the subsistence wage of about 260,000 roubles a month (58 dollars).

## City's dairy farms allegedly face closure threats

By Staff Correspondent

A large number of dairy farms in the capital have been allegedly facing closure threats from the Dhaka City Corporation (DCC) for polluting atmosphere, reports BSS.

The DCC served notices to a number of farms and lodged cases against some others," said Shah Alam, president of the Dairy Farm Association.

"This seems to be a dual policy of the government. On the one hand, it provides special incentives to the farms and on the other, the DCC issues notices asking for closure," said Shah Alam, who is also a BNP leader.

"Such harassment should be stopped immediately," he demanded.

There are more than 1,200 dairy farms in the capital with five to 100 cows in each farm, according to the association president.

The government provided Tk 31,500 to a farm which has at least five milk cows giving five litres of milk each. Shah Alam said adding banks are also sanctioning loans to

the farms.

The farm owners maintained hygienic atmosphere at their farms to avoid pollution in the localities concerned, he claimed.

When contacted, DCC officials admitted that they took action

against some of the farms. They, however, could not give the number of farms which were served with notices or were facing cases.

A senior official of the DCC's health wing said that the notices served the notices under the Municipal Administration Ordinance, 1983, amended in 1990.

Section 96 (1) of the ordinance says: "Except under a licence granted by the corporation and in conformity with the conditions of such licence, no person shall, within the city, keep milk cattle for the sale of milk or expose or import milk for sale or manufacture of butter, ghee or any other milk or dairy products nor shall any premises be used for any such purpose."

The ordinance provides for fines of up to Tk 25,000 and six months of simple imprisonment for offences under this clause.

The official, requesting anonymity, said usually action is taken following complaints from people residing near the farms.

Over Tk 5 cr Tangail poura budget

TANGAIL, July 15: Tangail Paurashava recently announced a Taka five crore sixty two lakh and sixty thousand budget for 1995-96, reports BSS.

Shamsul Haque, Chairman of the Paurashava while announcing the budget said that it included Tk two crore development grant from government.

Last year's budget was worth Tk 12 crore.

## Reliance Insurance opens 30th branch

To provide better services to its clientele and to contribute more towards the growth and development of our commercial infrastructure, the management of Reliance Insurance Limited has recently decided to expand its service network and connect all the commercial centres of the country in general and the Dhaka city in particular, says a press release.

As part of its expansion programme, Reliance Insurance Limited opened its 30th branch, called the "New Market Branch" at Khan Plaza, 32/1, Mirpur Road in the city yesterday.



Anwarul Haq, Member of the Board of Directors and Managing Director of Reliance Insurance Ltd, seen inaugurating 30th branch of the company at Khan Plaza in the city yesterday.

## US files NAFTA complaint against Canada

WASHINGTON, July 15: The United States asked for a formal investigation Friday into a complaint that Canadian tariffs on certain US dairy, poultry and egg products violate the North American Free Trade Agreement, says AP.

The request for the appointment of a special panel to look at the Canadian tariffs is the first under dispute settlement provisions of the North American Free Trade Agreement, which took effect January 1, 1994.

The US complaint says Canada violated the NAFTA prohibition on new tariffs by applying duties ranging up to 350 per cent on imports of those products above the duty-free volumes set in the agreement. The duties started January 1.

The complaint also applies to tariffs that Canada plans to impose August 1 on barley, barley products and a limited number of additional dairy products.

Canada defended its measures, saying that the International World Trade Organization agreement on agriculture permits it to replace quotas and import licensing requirements with equivalent tariffs.

Before NAFTA, Canada restricted barley, dairy, egg and poultry import through import licenses and tariffs, the highest being 20 per cent for dairy products.

## Rice output may fall by 3.2pc in Indonesia

JAKARTA, July 15: About 200,000 tonnes more rice will be imported this year as production is expected to be down by 3.2 per cent, a senior official said here Friday, reports AFP.

Chairman of the National Logistics Body (Bulog), Beddu Amang, said the imported rice is to complement domestic stock, as the prolonged dry season had decreased 1994 rice production 3.2 per cent to 46.25 million tonnes, Antara news agency reported.

From 1994 to the beginning of this year, Indonesia has imported 1.7 million tonnes of rice, the central statistics bureau (BPS) reported here earlier this week.

BPS said that all but six of Indonesia's 27 provinces suffered considerable setbacks in reduction.

In April, the Director General for Food Production, Amrin Kahar, said that 1995 rice production would be 48 million tonnes, less than the projected 50 million tonnes.

The government earlier this year announced a programme of extensive public works designed to boost the area of irrigated land in Java and Bali, an effort to increase production.

Despite the imports, Indonesia still considers itself self-sufficient in rice production, a goal reached in 1984 after decades of being the world's largest rice importer.

## DPRK denies suffering from food shortage

SEOUL, July 15: Breaking the silence over its humiliating acceptance of emergency rice aid from rival South Korea, communist North Korea has denied it suffers from a food shortage, says AP.

North Korea had accepted 150,000 tons of free rice from South Korea last month after secretive talks in Beijing, their first official contact in over a year.

"Grain can be used as food, raw materials for light industry or feed for the development of livestock industry in a country," a government official told the North Korea's government-run Korea Central News Agency late Friday.

"A rice bargaining is a usual thing among countries," said the official, identified only as a spokesman for the unification committee, which deals with relations between North and South Korea.

The statement came hours before the two Koreas were to meet in Beijing for a second round of talks on economic aid.

Talks began Saturday under a friendly atmosphere in Beijing, Yonhap news agency reported. But the KCNA report hinted that things might not be going so well.

"We cannot remain an onlooker to the fact that they use the provision of rice for a sinister aim. If the South Korean authorities persist in making unnecessary utterances and getting on the nerves of our side, they will never get anything good," the spokesman said.

South Korea hopes the second round of talks will further help defrost Cold War animosities by discussing a wide range of issues, including economic cooperation and other trust-building measures.

Political watchers have cautioned that the North may stick closely to

the food aid issue.

Recent defectors from the North have said that hunger is widespread, and that people subsist on gruel. Its economy is widely believed to have been shrinking since the loss of trading partners and economic aid from the former Soviet bloc nations.

North Korea watchers have said that the current regime could face mass defection and uprisings unless it resolves its economic quandary.

The two Koreas, divided at the end of World War II, have been bitter enemies since the 1950-53 Korean War.

## DCCI chief concerned at Bangladesh Bank circular

R Maksud Khan, President of the Dhaka Chamber of Commerce & Industry (DCCI) has expressed his deep concern and anxiety regarding the circular issued by the Bangladesh Bank that it would be mandatory to collect loan related information of the client from Credit Information Bureau of the Bangladesh Bank before new sanction/renewal or rescheduling of existing loan for Taka fifty lacs or above, says a press release.

The Chamber President opined that while government, is always in favour of simplification of rules & procedures, in that case sudden imposition of such conditions will bring more complexity. It is desirable that, each bank should determine its own strategy of investment financing in commensurate with the Industrial and Commercial policy of the government.

Usually, the Board of Directors of a bank is the supreme authority to adopt any decision regarding loan. The circular issued by the Bangladesh Bank has limited the power of the Board of Director of a bank regarding loan decision. Such circular might have negative impact on conducive investment environment, speedy industrialisation process and also the trade liberalisation policy.

R Maksud Khan mentioned that each individual bank has its own policy and methods to judge the criteria of getting loan of an entrepreneur besides inter-bank credit enquiry.

Under such a situation, the pre-conditions of collecting information from Bangladesh Bank would severely hinder the spontaneous activities of the banks. The Chamber president has proposed to reconsider the impositions of such conditions by the Bangladesh Bank for greater national interest.

## 3m Japanese to travel abroad in July, Aug

TOKYO, July 15: A record 2.95 million Japanese plan to travel abroad in July and August, encouraged by the strong yen, Japan Travel Bureau Inc (JTB) officials said yesterday, reports AFP.

JTB also attributed the rise to the opening of Kansai international airport, which effectively doubled the seat capacity of the former Osaka airport.

JTB's annual survey of summer travel showed an increase of 15.7 per cent from last year, led by the popular destinations of Hawaii, the United States, South Korea, Hong Kong and Guam.

But the number of Japanese trav-

elling to Indonesia is forecast to decline to 78,000 people, down from last year's 81,000.

The resort island of Bali appeared to have lost some of the popularity it enjoyed last year because of concerns over cholera, but it promises to stage a recovery in August, JTB said.

Asia, the most popular destination, is forecast to attract 1.21 million Japanese travellers overall, up 11.4 per cent from a year earlier.

The number of Japanese going to Hawaii, Guam, Saipan as well as the mainland United States and Canada is meanwhile expected to jump 20.3 per cent to 1.14 million.

## BDSHIP appointed member of Multiport Rotterdam

By Staff Correspondent

Bangladesh Shipping Lines Ltd, a HRC member company, has been appointed member of Multiport Ship Agencies Network of Rotterdam, the Netherlands.

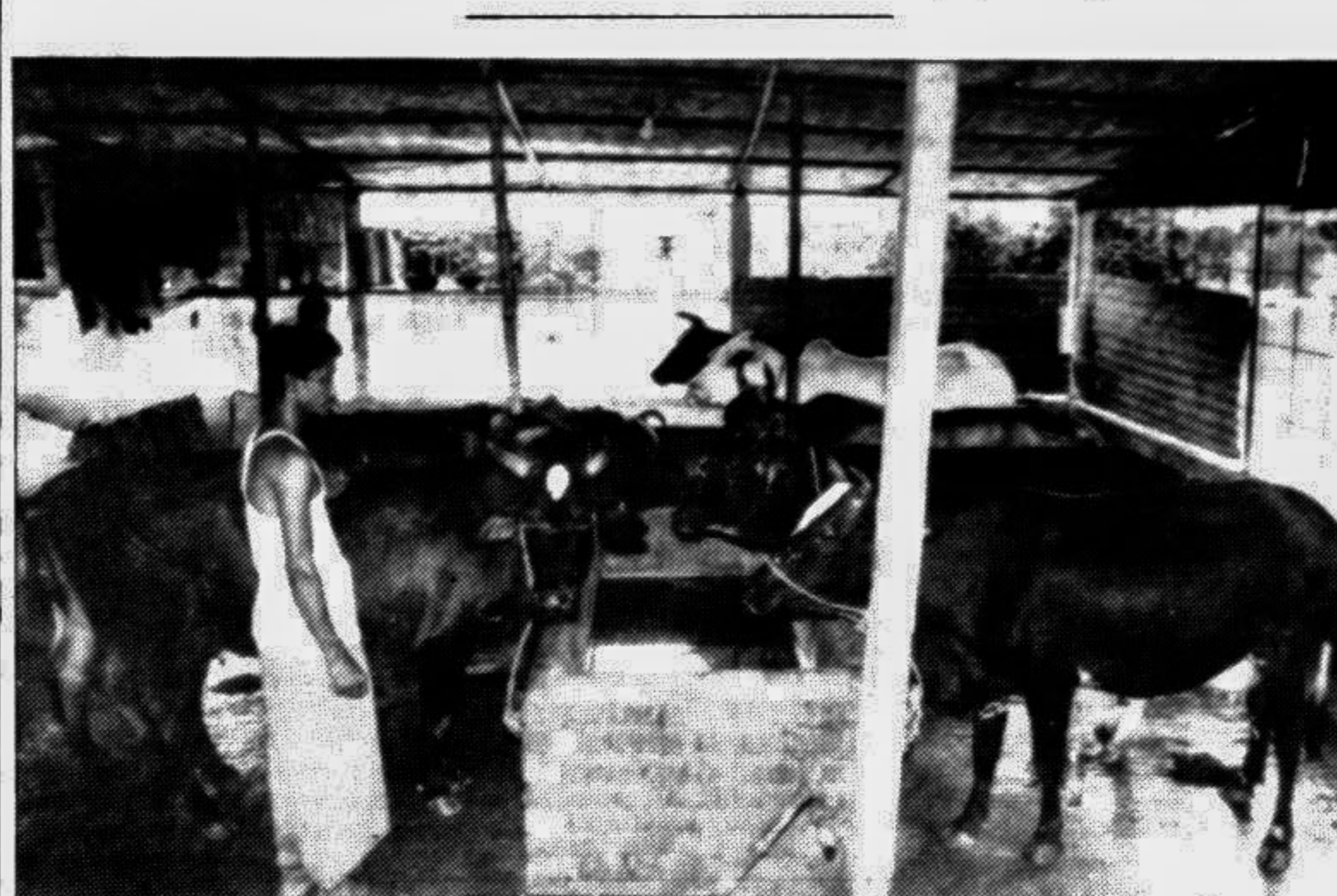
The BDSHIP will work in Bangladesh as the sole agent of the Netherland's company from this month.

In a press release yesterday, the HRC Syndicate Limited said to qualify for Bangladesh membership of Multiport's international network, BDSHIP had to go through a lengthy and stringent evaluation of its fi-

nances, credit worthiness, operating standards, professional integrity and ability, and business ethics.

It will be a good news for overseas ship-owners and operators who had been reluctant to extend their services to Bangladesh ports due to lack of high standard of reliable agency service and professional integrity of local shipping agents, the press release said.

The Multiport Ship Agencies Network of Rotterdam was established 17 years ago and now it has representation in some 89 countries.



A private dairy farm in the city. — Star photo

## Asia continues to attract global lending: BIS

ZURICH, July 15: Asian countries continued to attract capital from the world's major industrialised nations in 1994, when international lending rose by six per cent, the Bank for International Settlements (BIS) said on Friday, reports Reuter.

BIS also said in its semi-annual report on international lending that credit to Latin American borrowers, especially Mexico and Argentina, expanded in the second half of 1994, continuing a trend that has been recorded since 1991.

Mexico, which plunged into a financial crisis late last year, had the largest amount of outstanding debt of any country in the world at the end of 1994 with 61.7 billion dollars.

Total lending from BIS reporting countries to other countries rose by 28.5 billion dollars in the second half of 1994, bringing the growth rate for the full year to six per cent, sharply up from 1993's one per cent expansion.

BIS, central bank to the world's central banks, said total claims on borrowers outside the reporting rose to 752.3 billion at the end of 1994 from 719.7 billion dollars in mid-1994.

Developing countries continued to attract the lion's share of international lending, accounting for 70 per cent, BIS said.

But lending to Eastern European countries fell for the fourth consecutive six-month period, partly due to

debt reduction agreements with Poland and Bulgaria and non-renewal of maturing loans pending final agreement on a rescheduling of Russia's Commercial Bank credit.

The BIS reporting area covers banks in the Group of 10 (G10) countries — the US, Japan, Germany, Canada, France, Britain, Belgium, the Netherlands, Italy, Sweden and Switzerland — as well as Austria, Denmark, Finland, Luxembourg, Spain and Norway.

Confirming a recent trend, Asian borrowers accounted for virtually all the international lending growth in the second half of 1994 and make up the most important group of debtors.

Outstanding claims on Asian borrowers amounted to 238.1 billion dollars at the end of 1994, well-ahead of Latin American borrowers with 197.6 billion dollars and Eastern Europe with 79.0 billion dollars.

South Korea was the most active borrower in the second half, followed by Thailand and China.

With outstanding claims of 56.5 billion dollars, South Korea has the largest amount of outstanding debt to commercial banks of all countries in Asia. Loans with maturity of one year or less account for 71 per cent of all loans.

Japanese and European banks continue to dominate lending to

## Agrani Bank holds managers' confce in Sylhet

Mustafa Aminur Rashid, Managing Director of Agrani Bank, urged the bankers to invest in agriculture and agricultural product sector for economic development of larger rural community with the aim at making them self-reliant, says a press release.

Rashid was speaking at a managers' conference in Sylhet on July 10. He asked all the bankers to render relentless efforts for improving the image of the bank.

Rashid advised the Bankers to sort out promising entrepreneur and to bring about socio-economic development by financing them.

He urged the branch managers to disburse credit extensively in the flood-affected area. He called upon the managers to be active and progressive in their respective workplaces and asked them to maximize income and minimize expenditure. He also stressed the need for recovering classified loan.



Sonargon Pan Pacific Hotel hosted a Welcome and Farewell reception for the incoming and outgoing General Manager of Thai International on Friday. General Manager, Yoji Hamano presents a Silver plate to the outgoing General Manager Anon Juangbhanich as a token of remembrance. New General Manager Dol Bhasavanich and his wife were also present with the hotel executives on the occasion.