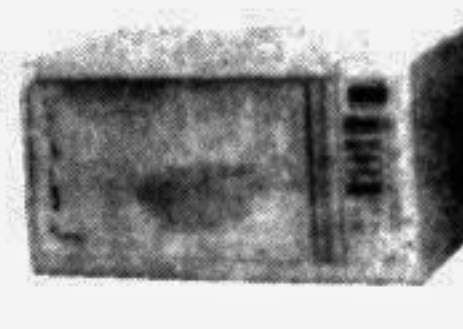



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DHAKA MONDAY, AUGUST 28, 1995

Country's export earnings doubled in four years, says Shamsul

Bangladesh has doubled its export earnings during the last four and a half years since 1990-91 with the country having the highest growth rate of exports in South Asia region.

The export earnings of the country which was only 1717.55 million US dollars in 1990-91 has now doubled to 3475 million US dollars.

Commerce and Information Minister M Shamsul Islam in an exclusive interview with BSS yesterday at his Secretariat office said, "Our export growth of 35 per cent this year over last year speaks of the favourable change in the export trend."

He described simplification of procedural formalities as regards bank financing, packages of incentives and removal of administrative bottlenecks as some of the factors behind increase in export earnings. He said the national committee for exports headed by the Prime Minister and special task-force headed by the Commerce Minister demonstrate the importance attached by the present government to increase export.

Replying to a question on trade imbalance with some countries, the minister said, "There has been a change in our favour regarding export to China and India. Export to China during the current year is 29.50 million US dollars as against 13.20 million US dollars in 1993-94.

The rise in export to India

has increased to 42.00 million dollars showing an increase of more than 150 per cent compared to 16.80 million US dollars in 1993-94.

Bangladesh, he said, has a very friendly trade relations with almost all countries of the world, specially China, Japan, and countries of South and South-East Asia.

The Commerce Minister said export to western countries including the United States and European Union countries is fast expanding. During 1994-95 out of the total exports, 44 per cent will find their destinations to European Union countries, 33 per cent to the United States and the rest to more than 100 other countries.

The minister was confident that dependence of the country on import will greatly reduce if the present trend of establishment of composite textile and other types of industries continue.

In reply to a question on economic diplomacy, the minister said the government has given specific targets of export to its foreign missions to gain a good footing in overseas markets. The government, he said, has reactivated the commercial wings of Bangladesh Missions abroad by adequate staffing, logistic and financial support. All these steps, he said, have been taken in view of ever increasing competitiveness in international trade.

Replying to a question on achievement in the garment

sector, Islam said garment sector today contributes 63 per cent of the country's total export employing more than two million people in two thousand industries. He said efforts have been made to boost export of leather and other non-traditional products. Export Promotion Bureau (EPB) has been entrusted with the task of product development, diversification and promotion of marketing.

He said import of wet blue leather and accessories under bonded warehouse system are some of the steps aimed at increasing export of leather goods. As regards export of frozen food, he said, it has the potentiality of fetching almost substantial amount of foreign currency for the country. He was optimistic of restoration of the glory of jute as there has been worldwide awareness of use of environmentally friendly commodities.

He was hopeful that tea will also gain good markets despite the competition from the other tea exporting countries.

The Minister was optimistic that in the new international trading atmosphere "our exports will grow at a faster pace than our imports reducing the trade gap." With the establishment of World Trade Organisation (WTO) as the outcome of Uruguay round multilateral trade negotiations, there will be substantive reduction in tariff and non-tariff trade barriers

all over the world. He said the new GATT rules will ensure freer movements of goods, services, capital and technology across the national boundaries. He said Bangladesh having a unique position of labour surplus has the potentiality to manufacture most labour-intensive products at competitive prices.

Islam said with political stability ensured in the country, onrush of capital and technology is expected from abroad to take advantage of Bangladesh's unique position as a low wage labour surplus country in the vicinity of the most dynamic and fastest growing countries in Southeast Asia. He said there is likely to be an export boom.

As regards state-owned trade organisation, the Trading Corporation of Bangladesh (TCB), the Commerce and Information Minister said, the role of the organisation has become more challenging since it has to compete with the private sector in all its business deals. Justifying the existence of TCB, he said it arranges adequate and regular supplies of essential commodities to meet local demands at reasonable and stable prices through its network. TCB, he said, also familiarises Bangladeshi products including non-traditional items to international markets to help increase country's export.

TSE may ease listing rules

TOKYO, Aug 27: In an effort to increase trading activity, the Tokyo Stock Exchange is considering a move to substantially ease listing standards for subsidiary companies, an exchange official said Wednesday, reports AP.

The official said he hoped to see the easing order before next year, referring to a report in a local newspaper stating that the deregulation would occur as early as mid-1996.

The TSE is also tentatively mulling the idea of lowering standards to allow venture capital companies to list, the official said.

The exchange is moving toward abolishing current restrictions on the listing of subsidiary companies, including rules that the company must be involved in a different business than the parent company and the company not receive factories and offices on loan from the parent company.

In addition, the TSE is also considering lowering the number of outstanding shares and earnings per share required for floating on the Second Section of the TSE.

However, the listing official played down reports in local daily newspapers that the TSE will create a New Second Section for venture capital companies, saying that no concrete, specific plans of such a new subsection exist.

While the exchange wants to boost trading activity, it is said to be hesitant to welcome venture capital companies because of their high risk factor.

Investment seminar for housewives held

By Staff Correspondent

For the first time in Bangladesh yesterday, housewives had the chance to learn more about investing in the stock market through a seminar, organised exclusively for them.

The "investment seminar for the housewives" organised in the city jointly by the Dhaka Stock Exchange (DSE), Securities Exchange Commission (SEC) and Rapport Bangladesh Limited was attended by 250 housewives of the capital.

Governor of Bangladesh Bank, Khorshed Alam, inaugurated the function as the chief guest, praising the present economic situation saying that the stock market in Bangladesh has marked significant development in recent years.

"Our export is going to exceed 3 billion US dollars, growth rate has registered highest ever, the inflation is under control and economic activities can be noticed in every sector of the economy," he remarked.

"The women are taking part in development works. Grameen Bank, BRAC and ASA have been working successfully in changing the lot of the womenfolk in the rural areas," the governor observed.

Chairman of DSE Khorshed Alam presented the keynote address on the occasion.

SEC Chairman Sultanuzzaman, who presided over the function, lauded the role of

Copley agrees to pay \$ 150m to settle suits for drug contamination

CHEYENNE, Wyoming, Aug 27: Copley Pharmaceutical Inc. agreed Tuesday to pay up to 150 million dollars to settle suits that charged bacterial contamination of its respiratory drug albuterol caused sickness and death, reports AP.

The tentative settlement announced by US District Judge Clarence Brimmer halted a 42-day-old trial on 79 consolidated lawsuits filed over 14 deaths and 100 injuries across the United States.

Albuterol is widely used by asthmatics and others with breathing disorders and is often taken through aerosol inhalers. It is made by a number of generic drug companies including Copley. The drug was originally sold by Schering-Plough Corp. under the brand name Proventil.

Copley in 1993 recalled some of its albuterol, saying several lots were contaminated by bacteria. Plaintiffs alleged that millions of vials of the inhaler were contaminated since the company began manufacturing the drug in 1990.

The company last year recalled all of its albuterol, nearly four million vials. It called the action merely a precaution, saying that contamination was limited to about 118,000 vials and the bacteria involved was relatively harmless.

BR takes special measures for flood-hit dists

Bangladesh Railway has taken special measures to carry foodgrains and fertilizer to the flood-affected northern and western districts, reports UNB.

Till August 26 of the current month, the railway carried some 10,360 metric tons of foodgrains and 20,000 metric tons of fertilizer to the districts through Bahadurabad-Teestamukh ghats, said a press release yesterday.

During the period last year, the transported amounts were 8,180 and 11,160 metric tons respectively.



BGMEA President Redwan Ahmed MP (R), seen addressing a press conference at Hotel Sonargaon in the city yesterday. Paul J Bailey, ILO Director and BGMEA Vice-President MA Taker also seen in the picture. — Star photo

Tk 28.5m UK grant for flood victims

Britain has provided a grant of Tk 28.5 million to Bangladesh for relief and rehabilitation programmes of the flood affected people, reports UNB.

The fund provided by Overseas Development Administration (ODA) of Britain will be used for foods and clothing and their distribution, the repair and reconstruction of water and sanitation systems, health aid, agricultural rehabilitation, soft loans for income generating activities and house repair.

The recipient of the grant are OXFAM, BRAC, Gonosasthya Kendra, the Resource Integration Centre, the Christian Commission for Development in Bangladesh, the Centre for Development in Bangladesh, the Centre for Development Services and the Young Men's Christian Association (YMCA), said a British High Commission press release.



Khorshed Alam, Governor of Bangladesh Bank, seen inaugurating an investment seminar for the housewives at Hotel Sonargaon in the city yesterday. It was jointly organised by DSE, SEC and Rapport Bangladesh Ltd. Jon J Scott, Canadian High Commissioner to Bangladesh seen on his right. — Star photo

CME on Clinical Endocrinology starts at BIRDEM

A four-day long Continuous Medical Education (CME) programme on Clinical Endocrinology organised by Endocrine unit of BIRDEM and sponsored by Square Pharmaceuticals Ltd. began at BIRDEM on Saturday, says a press release.

Nepalese farmers demonstrate for fertiliser

KATHMANDU, Aug 27: Police used batons to disperse a demonstration by more than 30,000 peasants and students in the southwestern district of Chitau, a Nepali Congress Party (NC) source said in Kathmandu yesterday, reports AFP.

The protestors, who were demanding the government supply them with fertilizers needed to plant paddy,

blocked traffic from the capital to Chitau town, 180 kilometres (112 miles) southwest of here, on Thursday and Friday, the opposition party source said.

The police used baton charges to break the blockade resulting in injuries to "several peasants and students," the source said.

Also Saturday, in a press release, the NC said a group

Commodity market: Prices of tea collapse while platinum, silver steady

LONDON, Aug 27: The platinum market is in a tense mood, with the prospect of severe disruption to world supply looming as miners threaten a walk-out at giant South African producer Impala Platinum. The metal, used in catalytic converters and prized by Japanese jewellers, has already jumped by several dollars, reports AFP.

If the 30,000 workers, who are demanding higher pay and better working conditions, down tools, the effect will be immediate, as Impala produces a third of the South African output and accounts for 20 to 25 per cent of world supply.

Equally tense, the silver market held firm at the highs it reached last week, with stocks on the New York market still very low.

Among the base metals, the price of nickel kept at six-month highs, supported by continued growth in stainless steel production.

Oil recovered after a mini-crash, lifted by a fall in US reserves and growing political instability in Iraq.

Grains remained at high levels on forecasts of a very poor world harvest in the 1995-96 season.

GOLD: Fluctuating. The gold market was uninspired this week, fluctuating around 384 dollars per ounce, apparently little influenced by the strong swings in the dollar against the yen and the mark, before retreating to 382 dollars.

SILVER: Steady. After last week's surge, prices did not fall back as traders had ex-

pected, but held steady between 5.60 and 5.70 dollars per ounce, still supported by weak supply on the New York market.

The stocks on comex, which had plummeted by 34 million ounces in less than 10 days, recovered somewhat due to deliveries by air from London to New York, according to one trader.

But analysts at GNI held that the market was still very tight and prices could move up again.

PLATINUM: Firm. After a weak start, prices rallied to over 430 dollars over fears of a strike by workers at the South African mining giant Impala Platinum.

According to a representative of the National Union of Mineworkers, which is demanding higher pay and better working conditions, it is "highly probable" that the 30,000 miners will go out on strike.

The industrial action would have an immediate impact on the world market, since Impala accounts for around 20 to 25 per cent of world supply.

A company representative, however, said that any strike before September 4 would infringe labour laws. Impala has already been hit by a temporary stoppage at one of its two mineral refineries.

COPPER: Swing. The price of copper swung first down then up, but ended the week still more than five dollars lower at around 3,033 dollars per tonne.

The summer slowdown prompted massive speculative

selling by investment funds on Wednesday, but the next day they returned to the market, buying up large quantities of the metal.

Dealers were unsure as to the exact reason for the sudden spurt, but some suggested that the 0.5 percentage point cut in the Bundesbank's key rates, which should encourage growth and thus increased copper consumption, might have been the trigger.

But analysts said copper was still in a consolidation phase, waiting for higher demand to arrive in the autumn.

In the longer-term, the GNI trading house said it expected a surplus in copper supplies next year, which would cause prices to fall back.

LME stocks fell by 903 tonnes to 162,750 tonnes.

LEAD: Higher. Lead advanced slightly by a few dollars to 645 dollars per tonne, lifted by copper's surge and a healthy stocks fall of 3,450 tonnes to 226,775 tonnes.

ZINC: Weaker. The metal fell by around 10 dollars to 1,043 dollars per tonne, affected by the dull summer trading conditions.

LME stocks fell by 3,325 tonnes to 768,700 tonnes.

ALUMINIUM: Retreat. The metal lost nearly 15 dollars to 1,925 dollars, on speculative selling in a nervous market.

Analysts at GNI said the metal was likely to fall further as other producers followed the example of Australia's capreal in increasing capacity.

The MOU agreement limiting output in the world's six largest producing regions runs out at the end of the year.

IPAI figures showed that global aluminium production rose by an average 200 tonnes a day in July to 47,700 tonnes a day. The IPAI also said output of alumina — the raw component for aluminium — rose sharply in the second quarter of the year.

On the LME, weekly stocks fell by 9,800 tonnes to 551,925 tonnes.

NICKEL: Gain. The metal rose by around 90 dollars to 9,380 dollars per tonne, reaching a new high since February, supported by a stocks fall of 2,238 tonnes to 67,896 tonnes.

The market is still underpinned by rising worldwide stainless steel production, the major destination for nickel.

TIN: Steady. The metal held steady, rising 30 dollars to 7,150 dollars per tonne, around the highest levels since 1992, despite some speculative selling mid-week.

The market shrugged off news that China had exceeded its 20,000 tonne ATPC export quota for the year to July and a stocks rise of 1,015 tonnes to 16,945 tonnes.

COCOA: Steady. Prices initially surged forward on the back of speculative buying, fuelled by last week's rally, to reach 960 pounds per tonne before stabilising at that level.

The advance slowed on fears of large sale by Ivory Coast and Ghana, the two largest world producers.

The Ivory Coast government, meanwhile, confirmed that it was liberalising the state body for cocoa and coffee exports in line with World Bank conditions tied to a 150

million dollar loan for the reform of the country's agricultural sector.

The Stabilisation Board (CAISTAB), which until now had a monopoly in the sector, will abandon the domestic trade in coffee and cocoa, which henceforth will be carried out by private trader.

Foreign trade will be run according to a system of auctions. The government, which previously fixed the prices paid to producers, will no longer intervene except to establish guideline price levels.

This announcement had no effect on the market, which had been awaiting the change for some time.

COFFEE: Modest. The price of robusta coffee advanced moderately by around 50 dollars to reach around 2,750 dollars tonne, lifted by producer buying in a physically tight market.

A slight drought in Brazil also helped to lift prices. According to the trading house GNI, prices are likely to rise as high as 3,000 dollars under the effect of further buying by coffee producers.

SUGAR: Uncertain. The price of sugar advanced further by over 10 dollars to reach around 320 dollars per tonne under pressure of extreme supply shortages before the arrival of deliveries from new European harvests.

However, many analysts held that prices will fall back within the next few weeks because of large world output.

According to the London trader Czarnikow, the sugar crop in 1995-96 will be a

record 119.4 million tonnes, due to an exceptional Indian harvest, improved Cuban output and a good sugarbeet crop in Europe.

However, this record crop will be almost entirely absorbed by strongly growing world demand, forecast at 116.5 million tonnes for the 1996 calendar year.

VEGETABLE OILS: Progress. The price of vegetable oils in general rose on the Rotterdam market. Soya advanced by two guilders to 100 kilograms in the wake of gains on the Chicago market, which was lifted by rising grain prices.

Palm oil gained a few dollars to 620 dollars per tonne, little affected by the market in Kuala Lumpur, which was depressed by the prospect of higher production in Malaysia.

Rape seed declined a little, by two florins to 95 florins per 100 kilograms and sunflower oil lost five dollars to 695 dollars per tonne (for delivery in November-January).

OIL: Advance. The benchmark price of North Sea crude oil jumped by 20 to 40 cents a barrel to reach 16.45 dollars a barrel by Wednesday, the highest level since June.

Traders reacted to the announcement by the American Petroleum Institute of an unexpected and record drop of 8.4 million barrels in the US crude oil reserves, seeming to point to higher imports in the near future.

The market was also tense because of the political situation in Iraq following the defection of high level figures. Operators worried about the

recent US deployment in the Gulf in response to Iraqi army manoeuvres.

However, US Defence Secretary William Perry then played down the importance of the "unusual" Iraqi troop movements, saying they did not point to any plans by Iraq to invade its neighbours.

RUBBER: Lift. Prices climbed by around 55 pounds to reach 930 pounds per tonne, lifted by higher buying by tyre manufacturers and other industrial enterprises using rubber.

Buyers who had built up large stocks early in the year on fears of sharply rising rubber prices, kept out of the market for several months, which pushed the price down.

According to a British trader, this recovery in prices is only temporary, and prices are likely to fall back during the rest of the year. But the London-based research group Economist Intelligence Unit (EIU) predicted that prices will advance in the last quarter of 1995 to reach an average of 950 pounds per tonne.

GRAINS: Firm. The prices of British wheat and barley held firm at the relatively high levels of 112 and 105 pounds per tonne.

Trading was fairly limited due to weak demand, producers are also awaiting the return of EU export subsidies before putting their wheat, oats and barely on the market.

In Chicago, prices advanced on hopes of exports to Egypt, China, the Philippines and South America and on pessimistic forecasts by the

International Grains Council (IGC).

According to the inter-governmental body based in London, poor harvests in Russia and India will push the worldwide grains harvest down in 1995-96 (July-June) to 533 millions tonnes.

Global demand over 1995-96, meanwhile, is forecast at 543 million tonnes, and by the end of the harvest year, worldwide stocks will have fallen to their lowest levels for 20 years, the IGC said.

TEA: Collapse. Prices collapsed under pressure of excessive supply and the poor quality of leaves arrived from Kenya. The price of medium-quality tea fell by five pence to 98 pence per kilogram while high-quality tea dived by 14 pence to 146 per kilogram.

Prices should recover in a few weeks as Indian teas — which usually arrive around this time — will suffer a weak harvest in the country, one British trader said.

COTTON: Surge. The cotton outlook price indicator claimed five cents to 0.88 dollars per pound, lifted by the fears of US traders about a fall in the country's harvest. Worms have attacked the cotton plantations of Mississippi, one of the major producing regions, and heat wave damaged certain crop.

WOOL: Ascent. The reference price in Bradford, northern England advanced by two pence to 510 pence per kilogram despite losses on the Australian market because of high demand.