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**HYUNDAI**

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DHAKA MONDAY, SEPTEMBER 25, 1995

## Wrong policy, faulty land distribution hindering growth of rubber plantation

Wrong policy and a faulty land distribution system of the government are hindering the growth of rubber plantation in the country.

The present production hardly can meet 20 per cent of the total demand of the country, which took a pledge to become self-sufficient in rubber a decade ago.

A senior official of the Forest and Environment Ministry told UNB that the genuine planters not getting land for rubber planting.

Private-sector production shows poorer performance than that of the public sector. The government leased out 20,000 acres of land to private investors, but a very few of them are producing rubber on the allotted land.

In some 20,000 acres of land leased out to private investors, production stood at only 250 to 300 tons a year, whereas Forest Industries Development Corporation (FIDIC) under its 18,000 acres is producing 2700 tons

of rubber annually.

Sources in the ministry further said lands were not allotted to genuine planters and authorities do not even take notice of the fact that private investors who took land from the government are not producing rubber there.

Moreover, 25 acres of land allocated to an individual planter is not sufficient, which the source said, also frustrated some of the planters not going for investment.

The official, however, also blamed the outlawed Shantibahini in the Chittagong Hill Tracts area for hampering rubber production and new private investment in the CHT.

The killing of 24 employees of BFIDC in 1989 by the Shantibahini gunmen in Karnaphuli valley stopped rubber production as well as wood extraction in the three hill districts.

The source, however, said

in total plantation area of 50,000 acres, rubber production is very low, as Bangladesh is yet to adopt new technology. "Applying old method of rubber plantation our planters are producing 'sheet rubber'."

To become self-sufficient, an official of BFIDC said, they need at least 116,000 acres of land for rubber production.

"We have sent a proposal to the government for acquiring 20,000 acres of land in Sitakunda and Hathazari in Chittagong, Kaulaura in Sylhet, Lalmai in Comilla, Madhupur in Tangail, Kornojhora in Sherpur, Dumurtola in Jamalpur, Mitapukur in Rangpur and few areas under Dinajpur and Panchagar districts," he informed.

It has also suggested expediting the Tk 100 million project development work for rubber plantation in Tangail and Sherpur area. The project was scheduled to be completed by this year, but

for various reasons, time to complete the development work has been extended by more two years inflating the project cost to Tk 116 million. Finance Ministry is yet to approve the proposal.

The country, which started commercial production of rubber in early 60s, now is producing less than 2,700 tons annually against the current demand for 9,000 tons.

The produced rubber sheets are now consumed by 250 industrial units making various products like sponge sandal, tyre and tubes for bicycle, rubber compound for retreading tyre for motor vehicles, bucket gasket, oil seal, rubber parts for textile and jute mills, hose pipe, rubber belt and so.

To help market the local produce of raw rubber, the corporation also suggested the government to relax tariff and duties on imported rubber and rubber-products.

## SAPTA meeting opens in Islamabad

FBCCI President Salman F Rahman left for Islamabad to attend a seminar on SAARC Preferential Trading Arrangement (SAPTA) that began in the Pakistan capital yesterday, says UNB.

The two-day seminar is being jointly organised by the Federation of Pakistan Chambers of Commerce and Industry.

Prime Minister Benazir Bhutto is expected to inaugurate the seminar while Farooq Ahmed Khan Leghari, President of Pakistan, will attend the closing session of the seminar, said an FBCCI press release.

The President of the Federation of Bangladesh Chambers of Commerce and Industry, Salman Rahman, will be chief guest in one of the working sessions in which "Feasibility of a Monetary Union in SAARC" will be deliberated upon.

## DCCI assured of foreign investment in Bangladesh

The Dhaka Chamber of Commerce and Industry (DCCI) Trade and Investment Promotion delegation to the EU countries has held fruitful meetings with the National Council of French Industries (CNPF) and the Paris Chamber of Commerce and Industries (CCIP) in France.

The DCCI delegation led by its President, R. Maksud Khan, visited France to have bilateral discussions with the French investors.

The meeting was attended, among others, by the representatives of the Ministry of French Foreign Affairs, M/O Economic & Budget, ANZ Banking Group, Banque Francaise Du Commerce Extérieur, Banque Indosuez, Banque Nationale De Paris, Electricite De France, France Telecom and Dumez-GTM International.

In course of discussion the representative of the Banque Nationale De Paris (BNP) announced its intention to extend their activities to Bangladesh and accordingly the Bank will open its branch offices in Dhaka soon.

The Paris Bank representative said that his bank would help French Companies for their investment activities in Bangladesh. The representatives of ANZ Bank and Banque Indosuez also expressed their willingness for further expansion of their activities in Bangladesh. Besides, the representatives of other organizations, participated in the discussion, shown keen interest for investment in power generation and port development in Bangladesh.

Khan informed the French investors present that both the Government and the chamber in Bangladesh country would welcome French investors in any area of their interest and assured them of providing all sorts of

cooperation on behalf of the DCCI.

The DCCI chief invited the interested investors to visit Bangladesh for further discussion with the relevant Govt. agencies and the Chamber people.

Bangladesh Ambassador in France KM Shehabuddin and Counsellor Ruhul Amin were also present in the meeting and participated in the discussion. They assured of providing all possible support and cooperation from the Embassy to the French investors.

The DCCI delegation also visited Paris Chamber of Commerce and Industries (CCIP) and exchanged views on matters of mutual interest.

On a request of the DCCI President, the CCIP representative who is in-charge of the Asia Desk, expressed his willingness to extend help and Cooperation to DCCI run training centre.

## SIA launching 2 new services

Singapore Airlines (SIA) is launching services to two new destinations, Cairns and Macau, says a press release.

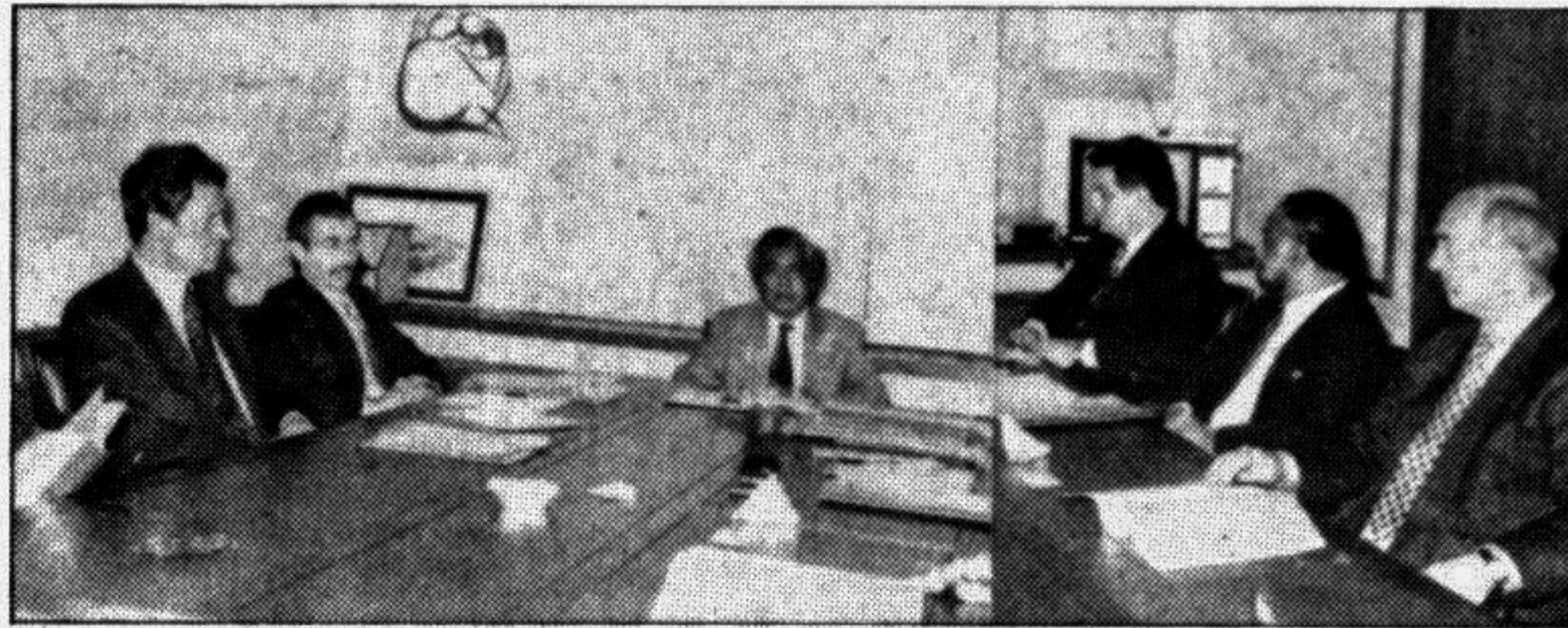
These additions to SIA's route network represent the most significant changes to the Airline's timetable, when the Northern Winter schedule comes into effect on 29 October 1995.

SIA will also be increasing services to Auckland, Christchurch, Johannesburg, Sydney, and several destinations in Southeast Asia.

The twice-weekly Airbus A310 service to Cairns will be introduced on the 28th of next month with flights departing from Singapore every Tuesday and Saturday. Tuesday's flight will stop in Darwin en route to Cairns, with the return flight from Cairns operating to Singapore non-stop. The Saturday flight from Singapore will be non-stop to Cairns, but the return flight will include a stop in Darwin.

Macau will also be served twice-weekly, with A310 services every Tuesday and Friday being introduced from 1 December 1995. Flight SQ 818 will depart from Singapore at 1105 hours, arriving in Macau at 1450. The return flight, SQ817, will depart from Macau at 1550 hours the same day, and arrive in Singapore at 1935.

The new service will provide a travel option for visitors to Hong Kong, who may wish to stop over in Macau. Visitor arrivals from Singapore to Macau totalled nearly 30,000 in 1994. Furthermore, through direct services, Macau can be developed into an important gateway to China.



A meeting of the Board of Directors of Beximco Textiles Ltd. was held on Thursday at the registered office of the company. Presided over by ASF Rahman, Chairman of the Beximco Group, the meeting was attended by Charles Seller of Commonwealth Development Corporation (CDC), GF Grote of DEG, Iqbal Ahmed of Beximco, SN Husain of Beximco and Marc Rachman of CDC.

## EU leaders pledge to keep up drive for single currency

ALCUDIA, Majorca, Sept 24: European Union leaders pledged today to keep up the drive for a single currency, to help pay for former Yugoslavia's reconstruction and to get their bloc ready for East Europeans to join, reports Reuter.

Inside and outside the meeting, opponents of French nuclear testing reminded President Jacques Chirac of their outrage with a "peace flotilla" at sea, a demonstration on dry land and some sharp questioning from his peers.

Wrapping up a two-day summit on the Mediterranean island of Majorca, Spanish Prime Minister Felipe Gonzalez told a news conference the informal meeting had been so useful there were likely to be others.

"We should repeat such meetings. We have seen far

too many (formal ones) laden with tensions," the summit host told a news conference. He said they had worked hard to "overcome any temptation to wallow in Euro-pessimism."

The summit gave EU leaders a chance to enjoy a quiet chat about their 15-nation bloc's future without haggling over a final communiqué. The informality extended to a bus ride from their secluded hotel to the press centre, an upmarket version of the island's typical tourist package.

The gathering was nonetheless dominated by turmoil over the EU's plans for a future single currency. Leaders emerged pledging not to add to or weaken the Maastricht treaty's strict rules for taking part in such a currency.

Italian Prime Minister Lamberto Dini said recent weakness in the lira, which

many blame on comments emanating from Germany that Italy will not make the first wave into monetary union, would not affect its chances of returning to the EU's exchange rate mechanism this year or next.

But the meeting also allowed leaders time to discuss other pressing issues.

Gonzalez said most countries agreed the EU should share in the cost of rebuilding former Yugoslavia if and when a proper peace accord is signed.

"We are quite happy to come up with one-third," he said, adding that the rest should come from the United States and other countries.

The leaders also discussed the future enlargement of Europe to bring in countries from Eastern Europe and the Mediterranean.

## CSE okays listing of 13 companies

CHITTAGONG, Sept 24: The Chittagong Stock Exchange (CSE) authorities today approved the listing of 13 companies with the bourse, reports UNB.

The Board of Directors of CSE at a meeting okayed the listing of the first batch of companies on the recommendation of the listing committee.

The listing of the second batch is under consideration, a director told the meeting which also discussed the preparation for launching the bourse on October 16.

A CSE source said Prime Minister Begum Khaleda Zia may inaugurate the operation of the CSE at a grand ceremony to be attended by a host of local and foreign guests.

The CSE had earlier set October 10 for the launching ceremony.

## BIBM seminar on financial sector reforms tomorrow

By Staff Correspondent

A day-long seminar on evaluation of the impact of reforms in the financial sector will be held tomorrow at Bangladesh Institute of Bank Management (BIBM) auditorium.

Bangladesh Bank governor Khorshed Alam will inaugurate the seminar at 10:00 am.

Professor Wahiduddin Mahmud, chairman Department of Economic Dhaka University and President, Bangladesh Economic Association will conduct the working session while a number of high officials from different banks and financial institutions will attend the seminar.

## Directive to set up Inland Container Depot

CHITTAGONG, Sept 24: Shipping Minister M K Anwar Saturday asked the Chittagong Port Authority (CPA) officials to expeditiously complete the construction and reconstruction works of container yards of the port for smooth functioning, reports UNB.

He expressed concern over the slow disposal of the containers despite repeated directives. The minister was presiding over a meeting of the CPA officials at Bandar Bhaban.

Anwar said the containers lying over 45-days should be put into auction sale as per the rule of the port.

He said since the country's import and export is on rise, the port facilities have to keep pace with the demand.

The minister also directed the officials to take immediate steps to help set up private inland container Depot (ICD) and port yards and berths beyond the port area.

The meeting was informed that the CPA has undertaken a programme to construct and reconstruct seven container yards with a capacity of preserving 3,000 containers.

According to the schedule, the work is expected to be completed within April, 1997.

It was also informed that 20 container handling equipments including four straddle carriers, four fork lift trucks and 12 terminal trucks will reach the Chittagong Port by the next two months. Handling of cargo and container will be speedier after reaching the equipments.

Shipping Secretary Waliul Islam and Chairman of CPA Captain Zahir Uddin Mahmood were present in the meeting.

## Allowance body reconstituted

The government has reconstituted the committee for giving monthly allowance to the distressed poet, litterateur, journalist and artist with Secretary, Ministry of Cultural Affairs as its chairman, reports BSS.

Other members of the committee are: Joint Secretary, Ministry of Cultural Affairs, vice-chairman, and Members: cultural adviser, Ministry of Cultural Affairs, director general, Bangla Academy, director general, Shilpakala Academy, director general, Bangladesh National Museum, director, Institute of Fine Arts, Mahbub Anam, editor the Bangladesh Times, Zaglul Ahmed Chowdhury, special correspondent, BSS, Mrs Dilara Zaman, Ashraf Uddin Ahmed (Ujjal) and assistant secretary, senior assistant secretary, Ministry of Cultural Affairs.

## Anwar visits 3 industrial units in CEPZ

CHITTAGONG, Sept 24: Shipping Minister M K Anwar yesterday visited three industrial units of Chittagong Export Processing Zone (CEPZ), reports BSS.

He visited a Japanese lens producing factory, a Korean garments factory and a Bangladeshi shoe factory.

During the visit the minister was informed that about 26,000 workers and employees are working in 59 running industrial units in the CEPZ. During the last fiscal, goods worth 187 million US dollars produced in the CEPZ was exported to different countries.

Almost all the 264 plots of Sector No 1 to 6 in the CEPZ has been allocated to both local and foreign entrepreneurs. Besides, development work of plots at Sector No 7 has been completed.

While talking to the entrepreneurs and managers of different industrial units the shipping minister assured them of providing all assistance of Chittagong port authority for quick shipment of their produced goods for sending abroad.

## Strengthen bank inspection div: BB governor

Despite criticism for the recent regulatory directives, the central bank has vowed to go ahead with its monetary policies and reform programmes for higher growth by maintaining economic stability, reports UNB.

"Bangladesh Bank will continue its supplementary role for increased growth by maintaining overall economic stability through formulation and implementation of monetary policy and reform programmes," said governor Khorshed Alam Saturday.

Inaugurating a conference of the Bank's general managers, the Bangladesh Bank Governor asked the officials to strengthen the inspection divisions and their functioning according to the measures taken for the purpose.

Alam mentioned that a feeling of respect has been noticed in the banking circle about the inspecting role of the Bangladesh Bank and a clear sign is also visible of their efforts to improve the quality of loan and investment divisions.

The banks, he said, were advised to be more aware about their portfolio management, particularly in maintaining capability of flow of resources and paying liabilities in giving term loans in the present economic situation.

## OECD urges France to cut spending

PARIS, Sept 24: France's conservative government needs to slash spending further, not raise taxes, or it could jeopardize efforts to spur employment and reduce interest rates, the OECD says in a new study, reports AP.

France's efforts to cut its deficit, currently estimated at 320 billion francs (64 billion dollars) and about 5 per cent of its gross domestic product, have fallen far short of Germany and Britain, according to the study released Saturday.

The government of Prime Minister Alain Juppe proposed a plan last week aimed at cutting the deficit to 4 per cent next year and 3 per cent in 1997 to conform to the European Union's requirements for a single currency by 1999.

But the Organisation for Economic Cooperation, a consultative body for 25 leading industrialised nations, said "additional measures" would be needed to fit those stringent norms.

The OECD predicted that without further cuts, the deficit would hover at 4.5 per cent of GDP next year.

Echoing criticism by French business leaders and politicians on the right, the report said it would have been "preferable to prune public expenditures of lower priority than to raise taxes."

## Prices of sugar, tin rise, cotton fluctuates over week

LONDON, Sept 24: The grains market in Chicago — the largest in the world — is on a roller-coaster ride after two disastrous world harvests in a row, which are sending world stocks down to dangerously low levels, reports AFP.

The arrival of a Russian delegation, likely to have a long shopping list to replenish the country's dwindling grain stocks, also increased the temperature.

Not to mention the onset of cold weather in the American great plains, which is threatening an already weak corn harvest and the soyabean crop.

All this has combined to push the grains and vegetable oil markets in Chicago up to historic levels.

Meanwhile, in Washington, a congressional committee has given the go-ahead for sale of "strategic" stocks, such as metals used in the armaments industry, precious metals and oil.

**GOLD:** Stabilised. After last week's rally, gold stabilised at around 383 to 385 dollars. The metal's upward potential appears more limited now with the dollar's advance against the yen (despite recent losses) likely to reduce the level of Japanese buying.

**SILVER:** Lower. The price of silver fell by over 15 cents to 5.35 dollars per ounce, affected by profit-taking, despite the continued fall in stocks on the New York Comex market.

**PLATINUM:** Crash. The

announcement of the imminent sale of part of the United States' strategic reserves of platinum and palladium had a strong negative impact on the prices of both these precious metals.

Platinum dived by over 15 dollars to 424 dollars per ounce while palladium plunged 10 dollars to 136 dollars per ounce.

A special congressional commission gave the go-ahead for the sale of part of these "strategic" stocks amassed during the cold war.

**COPPER:** Surge. Three-month copper prices soared this week by nearly 80 dollars to around 2,890 dollars per tonne, as a serious explosion at a large US plant raised fears of disruption to world supplies, and the dollar plunged suddenly at the end of the week.

The sharp decline at week's end in the value of the US currency, which had been strengthening against the Japanese yen in recent weeks, makes the metal more competitive.

**LEAD:** Advance. Prices advanced by nearly seven dollars, to around 607 dollars per tonne, under the influence of copper and the strike action at Mount Isa, which accounts for 5.8 per cent of world output.

The International Lead and Zinc Study Group (ILZSG) said in its monthly report that mining output of lead declined by 4.1 per cent in the first seven months of the year to

1.48 million tonnes, while production of refined lead remained stable at 3.09 million tonnes, up 0.6 per cent. Consumption of the metal fell by 0.8 per cent to 3.04 million tonnes.

Weekly stocks fell by 6,100 tonnes to 214,200.

**ZINC:** Rise. The metal advanced by 27 dollars to 1,028 dollars per tonne, after the walk-out at the Queensland plant.

Figures showing a large zinc supply deficit in the first seven months of the year were another positive factor. From January to July, zinc consumption rose nearly 5.8 per cent to 424 million tonnes, leading to a supply deficit of 100,000 tonnes.

Stocks on the LME declined by 4,800 tonnes to 748,500 tonnes.

**ALUMINIUM:** Gain. The market continued to be supported by the escalating strike threat at Alcan, the giant Canadian aluminum producer, with prices rising nearly 40 dollars to around 1,813 dollars per tonne.

Unions representing the 3,400 employees at Alcan's Quebec facilities have ordered a work to rule — a ban on workers performing supervisors' functions — and have threatened an all-out strike if current labour talks do not succeed in the next few days.

**NICKEL:** Firm. The metal was supported, rising 200 dollars to 8,700 dollars per tonne, by predictions from a

large French producer of a sharp reduction in Russian exports this year because of the exhaustion of the country's nickel stock.

A senior official from France's market said that Russian exports were coming only from existing production as the country's stockpiles were finished. As a result, he predicted a fall in Russian exports this year to 130,000 tonnes from 180,000 in 1994.

Stocks on the LME fell by 882 tonnes to 61,500 tonnes.

**TIN:** Gain. The price of the metal advanced by 240 dollars to 6,530 dollars per tonne, unmoved by the US government's Defence Logistics Agency (DLA) decision to press ahead with the sale of 10,000 tonnes of tin from its strategic stocks, despite pleas from the Association of Tin Producing Countries (ATPC).

The metal was still supported by the ATPC's decision early in the week at meeting in Bolivia to retain its quota system until June 1996.

Weekly stocks fell by 520 tonnes to 15,725 tonnes.

**OIL:** Sombre. The ray of sunlight that appeared last week rapidly disappeared and the reference price for Brent North Sea crude oil fell back by half a dollar to 16.20 dollars per barrel.

The market was depressed by a rise in distillates (oil, diesel) reserves in the United States, according to figures from the American Petroleum Institute.

And a vote by the US Congress authorising the sale of 38 million barrels from strategic stocks also pushed prices down.

Nonetheless, there are a number of positive factors on the horizon, the arrival of cold weather in the United States should boost consumption in the country, and the threat of strike at the Brazilian oil company Petrosbras is more serious than ever.

**RUBBER:** Uncertain. Prices recovered by around 40 dollars to 940 pounds per tonne, but the market is still plagued by uncertainty.

This rise is due to overnight speculative gains on the Tokyo markets, while European and US markets have tended to fall, and is not likely to last, according to one London trader.

**SUGAR:** Higher. The price for short-term delivery (December) of white sugar climbed by 15 dollars to 330 dollars per tonne, lifted by the continued shortfall between supply and demand.

The prediction of a surplus supply of 2.7 to three million tonnes over 1995/96 (October to September) by two research groups failed to move the New York speculators.

**VEGETABLE OILS:** Progress. The prices of vegetable oils advanced on the Rotterdam market, lifted by the announcement of frosts that might affect US output and also by rumours of palm oil purchases by India on the

Kuala Lumpur market.

The arrival of cold weather in the American great plains caused a rally in soy prices in New York. According to one trader, 70 per cent of the soybean harvest (planted late in the year, and therefore at risk) might be affected.

**GRAINS:** Dizzy heights. The price of wheat in Chicago climbed at one point to a 14-year high, lifted by the disappointing US harvest this year and prospects of Russian and Egyptian buying.

In Europe, prices were more subdued, exporters still fear that the European Union might impose a tax on exports, and are holding back from putting their wheat on the market.

In London, the price of wheat advanced three pounds to 116 pounds per tonne, while barely held steady at 107 pounds.

**COTTON:** Fluctuating. Prices fluctuated uncertainly this week around 0.90 dollars per pound. Supported for some time by the announcement that frosts might damage the current harvest in Texas, prices later suffered from the withdrawal of expected Chinese buying orders.

**WOOL:** Steady. Prices remained around 485 pence per kilogram (British index) while in Australia prices are expected to fall by around five per cent over 1995/96 (July to June) because of the prolonged absence from the market of Chinese buying.

## Office-bearers of BCCMA elected

The 6th Annual General Meeting of Bangladesh Corrugated Carton Manufacturers Association (BCCMA) was held at a city hotel on Thursday with its president Safulah Chowdhury in the chair, says a press release.

Following were elected office bearers of the Association for the year 1995-97:

Safulah Chowdhury-President, Asif Haque, Khalilur Rahman, Md Iqbal Hossain and Mir Rased Ali-Vice President, Bayazid Bostami Khan-General Secretary, Golam Mostafa-Asst General Secretary, Akikur Rahman-Treasurer, Mir Mahmud Ali-Organising Secretary, Abdul Kader Khan-Publicity Secretary, AKM Hamid-Cultural Secretary, Dildar Rahman, Mostafar Billah, S M Azizul Alam, Reazul Islam Khan, Shamsul Alam and Md Abdul Quddus-Executive Members.