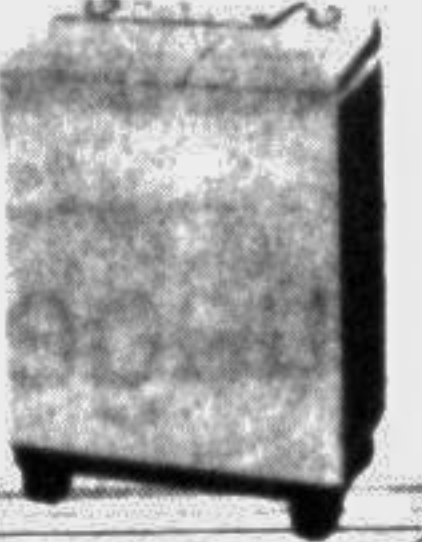



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RBI injecting 41b rupees into call market

BOMBAY, Nov 17: The Reserve Bank of India (RBI) is injecting 41 billion rupees into the call market through the repurchase of securities by two of its subsidiaries, the Securities Trading Corporation of India (STCI) and the Discount and Finance House of India (DFHI), a DFHI dealer told Reuters.

"This will be through repurchase of securities due for reversal today," the dealer said.

The call rates were relatively stable on Thursday at 28-35 per cent and the RBI agencies did not intervene. They had intervened on Wednesday. Today's rates are yet to emerge, dealers said.

"This (41 billion rupees) is the quantum of intervention today," said an RBI official.

Share prices up in Tokyo

TOKYO, Nov 17: Share prices were higher on the Tokyo stock exchange on Friday morning, with the Nikkei stock average rising 112.19 points or 0.6 per cent to end the session at 18,051.71 points, reports AFP.

Meanwhile, the dollar was quoted at 101.98-102.00 yen, down from 102.03 yen in New York late Thursday, but up from 101.65 yen in Tokyo on Thursday afternoon.

The stock market opened higher following the sharp rally overnight on Wall Street along with higher Nikkei futures in Chicago and the dollar's recovery against the yen, brokers said.

Bank issues rallied from the opening, with investors turning optimistic over the likely resolution of the ongoing bad-debt issue here, on the back of a report that Fuji Bank Ltd and Hokkaido Takushoku Bank Ltd will write off a sizeable amount of bad debts in the year to March, brokers said.

Russia, Deutsche Bank reach accord on debt

FRANKFURT, Germany, Nov 17: Russia and some 600 private banks agreed Thursday to reschedule 32.5 billion dollars in Russian debt over 25 years, said Deutsche Bank head of the creditors committee, reports AFP.

The principal of the debt, 25.5 billion dollars, will be repaid over 25 years with a seven-year grace period, the German banking group added.

The agreement is the product of four years of negotiations. It was signed by Russian Deputy Prime Minister Oleg Davidov and Deutsche Bank as a representative of the creditor banks.

Russia pledged to pay 1.5 billion dollars by the end of 1996 as accrued interest for 1994-95.

The rest of the interest will be exchanged for 20-year bonds, also with a seven year grace period.

Jewellery policy liberalised Move to encourage export, attract foreign investment

The government has introduced a liberal policy for encouraging Jewellery export and attracting foreign investment in the sector. Export Promotion Bureau (EPB) told BSS yesterday.

They said five important measures had been incorporated in the policy to remove the difficulties which hindered Jewellery export in the past.

The exporters will now be able to import raw materials for producing Jewellery free of tax under customs bonded warehouse or back to back letter of credit (L/C).

The buyers will be allowed to supply raw materials and pay the exporters in advance under the new policy.

Under the new arrangement Bangladesh Bank will ensure immediate supply of raw materials at international rate to facilitate the producers to supply the products in

time. The new policy will ensure exporters the drawback facilities if they import raw materials without tax bonds repaying taxes through back to back L/C.

The sources said Bangladesh had already participated in two international exhibitions of Jewellery in Bahrain and Japan as a part of its feasibility study on the demand of local Jewellery in foreign markets.

The overwhelming response from the buyers in both the countries to Bangladeshi Jewellery was because of its design carved through traditional craftsmanship down from generations to generations.

In Bahrain exhibition which was held in October this year, over 5,000 dollars worth of Jewellery were sold by five Jewellery dealers from

Bangladesh. At the end of the exhibition a merchant from Dubai bought nearly 15,000 dollar worth of Jewellery.

The Bangladesh products in the Bahrain exhibition which was taken part by over 300 Jewellers from all over the world, included bangles, chain, bracelet, rings and earrings.

Encouraged by the positive response in Bahrain exhibition Bangladesh held a solo exhibition in Japan in November.

Two Jewellery dealing houses took part in the Japan exhibition. The people in Japan showed unexpected interest in Bangladeshi Jewellery. The dealing houses which took part in the exhibition sold 75 per cent of their exhibits.

EPB sources said Bangladesh is now planning to expand its Jeweller market in Japan.

Fashion shop opens

By Staff Correspondent
Monsoon Rain, a men's fashion shop was inaugurated at Elephant Road yesterday.

It is a new venture of 'Cat's Eye', a popular name in men's fashion in Dhaka.

The inauguration function was attended by a number of city's socialites.

Unemployment rate stands at 4 pc in HK

HONG KONG, Nov 17: Hong Kong's seasonally adjusted unemployment rate for the period from July to September this year was 3.5 per cent, and the underemployment rate was 2.5 per cent, according to the Census and Statistics Department, reports Xinhua.

The provisional seasonally adjusted unemployment rate for the period from August to October 1995 was 3.6 per cent, while the provisional underemployment rate was 2.3 per cent.

A government spokesman said today that during the period from July to September 1995, the number of unemployed persons with previous jobs was estimated at 94,900, and another 18,000 unemployed persons were first-time job-seekers.

The number of underemployed persons was estimated at 77,000, the spokesman added.

He said that unemployment in the distributive trades, restaurants and hotels, and transport sectors showed some increases.

Unemployment in the manufacturing sector and in community, social and personal services construction sector and in financing and insurance services decreased.

As to underemployment, the situation in most of the major sectors remained generally stable, with improvement seen in the construction and transport sectors.

China plans to increase fruit consumption

BEIJING, Nov 17: Chinese will consume an average 43 kg of fruit each annually by the year 2000, the Ministry of Agriculture expects, reports Xinhua.

According to a plan drawn up by the ministry, the acreage of orchards throughout the country will rise to eight million ha at the turn of the century from 6.4 million ha.

China's fruit production is projected to total 55 million tons a year by the end of the century.

China's citrus production is expected to rise ten per cent this year to seven million tons. Farmers will also reap a good harvest of apples and pears this year.

Bangladesh-Myanmar border trade

Payments in local currencies under consideration

Bangladesh exports to Myanmar, ever since the border trade started on September 5, figured about half the volume it imported. Till the end of October, Dhaka's exports amounted to 36,583 US dollars against its import bill of 69,600 dollars.

Local traders are worried that the authorities' recent ban on export of fertilizer to Myanmar will further limit Bangladesh's export. Lion's share of Bangladesh's export income of US dollar 36,583 came from fertilizer while only polyester fabrics is the only other significant export item.

Nurul Islam, Secretary General of Teknal Trade Association, told UNB's Cox's Bazar correspondent that fertilizer was the major demanding commodity in Myanmar.

Authorities here said Myanmar authorities' non-acceptance of longer-stay entry-pass was another major headache for Bangladesh in the border trade.

Quality potato seed production in Bangladesh

Use of tissue culture tech can save huge forex

Commercial application of tissue culture technique in production of disease free and high quality potato seeds could save the country crores of Taka in foreign exchange every year, according to BSS.

Speaking at a seminar on "Role of tissue culture in agriculture" at the Science Museum on Wednesday Professor Ahmed Shamsul Islam of Dhaka University said Bangladesh imports potato seeds worth Taka 300 to 400 crore every year.

He said the Bangladeshi scientists have succeeded in producing virus-free potato seeds from the existing varieties by applying tissue culture technique. But because of some vested quarters it could not be applied on commercial scale as yet, he alleged.

Tissue culture is a technique which can help produce large number of seedlings in a short time from small portions of plant tissues with the help of artificially produced chemical nutrition medium.

Referring to commercial production of orchids in some countries of Asia, Professor Islam said, in natural condition five to six seedlings are produced from one orchid plant in a year while by applying tissue culture technique around 3000 plants can be produced from the same plant.

He said tissue culture could also be applied in improving quality of different crops and fruits.

Organised by the science museum the seminar was also addressed by its Director Professor AM Azizur Rahman Khan.

Vivat Srisammacheep holds a gun on his throat on Wednesday moments before shooting himself at the Stock Exchange of Thailand. Srisammacheep, a disgruntled investor, was taking part in a demonstration against the dismal performance of the bourse.

— AFP/UNB photo

Myanmar immigration authorities are not 'honouring' entry passes which, as per the trade agreement, is supposed to allow Bangladeshi businessmen to stay up to seven days and move up to port city Akyab, they said.

Myanmar is now only accepting border passes which remain valid for two days and allow journey up to Maungdu.

Authorities in Dhaka are planning to raise the issue before the Myanmar authorities.

ABC planning to expand business in South Asia

ABU DHABI, Nov 17: The biggest Arab Commercial Bank is planning to expand operations in south Asia to take advantage of the growing market after good results by its existing units there, its chief executive said.

According to AFP, The Arab Banking Corporation (ABC), controlled by Libya and two other Arab nations, already has a strong presence in Hong Kong and has been encouraged by impressive performances there to consider spreading to other Asian economic tigers, its new chief executive, Ahmed Abdul Latif, said.

"Markets in Europe and North America are saturated and highly competitive. Infrastructure in Africa is still very weak and Arab banks have yet to forget their experiences (bad debts) in Latin America," Abdul Latif told the London-based Arab banker magazine, obtained here.

"The emerging markets of the far east are the only viable option. In talking about ABC's expansion, one must study opportunities on a case by case basis. Our International Bank of Asia (IBA) in Hong Kong is impressive and I would certainly encourage replicating it."

Abdul Latif, a former deputy governor of the Saudi Arabia monetary agency (central bank), said the Manama-based ABC was currently eyeing the markets of Thailand, Vietnam, Indonesia and India.

He did not elaborate on the expansion plan but ABC already has branches around the world as well as affiliate banks and companies in several countries.



Former South Korean President Roh Tae-woo (2nd R) is escorted to a waiting black limousine by prosecution officials in front of the Prosecutor General's Office in Seoul on Thursday. Roh was arrested and imprisoned, as a 650 million dollar slush fund scandal that has socked South Korea for the past month hit new heights.

\$1.8b settlement for creditors BCCI employees withdraw objection

LUXEMBOURG, Nov 17: Lawyers for employees of the collapsed Bank of Credit and Commerce International (BCCI) on Thursday withdrew their appeal against a 1.8 billion dollar settlement for creditors, clearing the way for the first payouts.

The appellants' lawyers said in a statement read at a hearing of Luxembourg's superior court that the four former employees at BCCI London had dropped their objection to the proposed settlement and agreed to pay court costs.

"We accept the appellants' decision to withdraw their appeal," Julian Roden, one of two court appointed

liquidators, told Reuters. Abu Dhabi, BCCI's main shareholder, has offered to pay 1.8 billion dollars to creditors of the bank, closed by the governments of Britain and Luxembourg in July 1991.

The judge will pronounce his verdict on December 20 on whether he agree with the withdrawal of the appeal.

"If the judgement is favourable, putting a final end to the appeals procedure, we will be authorised to enter into agreement with Abu Dhabi," liquidator Georges Baden told Reuters.

He said this would "trigger a payment by Abu Dhabi of available funds of 1.55 billion dollars and

enable the liquidators to make a first payment to admitted creditors as soon as possible after payment by Abu Dhabi."

Baden did not say when the rest of the 1.8 billion would be paid.

The Abu Dhabi authorities will pay the money to the liquidation fund, which will then distribute the payouts to shareholders, Roden and Baden are liquidators for Luxembourg.

The main liquidator in the case is UK-based firm Touche Ross.

The four former employees appeal was the last block against a long awaited settlement in the case.

Future of jute in Bangladesh — Part-1

Role of International Jute Organisation

By MA Laish

Rahman Jute Mills is not expected from the IJO. The mills ordinary batching workers and other technicians are fully aware of this petty problem and they are quite capable to solve it. The IJO should play a broad role to get back our position in the world market, and re-establish superiority of jute over the cheaper synthetic PP market, which is injurious to environment and health.

The activities of IJO should be spread over vast cultivating land of jute growers in the country, instead of keeping it confined to the Jute Research Institute of Dhaka.

The Geo-Textile in no way, can be taken as an achievement of the IJO. It is actually nothing to be so much advocated in their favour, nor of the JUMS or JSRP. It is a product of very old, out-dated machines, only meant for use of low-grade SMR, cuttings, thread wastes, caddies etc. The yarn is so rough and thick like finger. The looms and back processing machines are also of peculiar type. The warp yarn count for the beam is 180 lb/spd, while the weft count for crops is 60lb/spd. It has been in process from the very beginning of the jute industry in Bangladesh. Its main buyer was Australia for packing cotton. There are only two very small mills, so far I know, in Bangladesh: the ABC Mills of Adamjee having only 20 looms and the other is in Chittagong — the Ishpani Victoria Jute Products. So, the IJO achievement, if any, on the Geo-Textile is confined only to these two mills.

The IJO may deserve praise for their efforts in Bangladesh for expanding the use of Geo-Textile Net as a protective cover on the river slopes and on the irrigation embankment to check erosion.

The invention of paper pulp from green jute plants in Bangladesh is not an achievement of the IJO. The raw jute growers will not much benefit from this programme. The price of green jute plants will naturally be less than the price of the matured jute. Moreover, the farmers are deprived of the additional price, they could get by selling their jute sticks to the partex mills at a reasonably good price. They could also use their jute sticks as cooking fuel and other housing materials.

But of-course, this programme has also some benefit as

well, provided, the jute growers really get quick payment by selling their jute to the paper pulp mills.

The invention of paper pulp from green jute is an encouraging achievement of our country's young scientists. They make the use of jute in the paper mills as a substitute for diminishing bamboo of Chittagong and Gawa wood of Sundarban. The IJO have got nothing to do here.

In the magazine, "Jute and the IJO" (Page No. 22 & 23), the objectives and the list of IJO projects have been studied very carefully, and I would like to place certain queries on their objectives in para 1, sub-para e.i, j, and k, where they have mentioned their programme so elaborately for improvement of the quality of jute.

Here, with due respect to the reputed members of the IJO I may be permitted to ask how far their above objectives have been applicable in Bangladesh — the country, which has been placed in the second category of jute producing countries of the world as per report of one Dr Golam Mohiuddin (The chief scientific officer of Bangladesh Jute Research Institute) in his article on jute (DS Oct 30, '94). In that article, Golam Mohiuddin has shown Bangladesh as the second jute producing country having only 783 thousand MT (26 per cent) against India producing 1224 thousand MT (41 per cent) jute, although the whole country of Bangladesh with a total average area of approximately 55000 sq miles, is the world's largest jute producing country. Except for Chittagong Hill Tract, and part of greater Sylhet, the rest of Bangladesh produces jute. It is difficult to believe our country now occupies only the second place.

The IJO, in their magazine, have shown a series of projects (Page 23) including demonstration of enzymes for improvement of low-grade jute and cuttings for its large-scale utilisation. In spite of all such programmes taken by the IJO as described in their magazine, the World Bank, and the donor countries are not very keen to develop jute industries of Bangladesh. Rather, they are discouraging production of jute goods in Bangladesh, and encouraging the same in India, and other countries, where, the IJO members are more active.

According to the said magazine, the IJO have kept their activities in Bangladesh confined to the Dhaka Jute

Research Institute only, whereas, the documentary pictures show, that, the members of the IJO are active in the fields of China, Thailand, India and Nepal for developing kenaf and other allied fibres. This clearly indicates Bangladesh is being neglected.

Recently, there has been a conference at the Hotel Sonargaon, convened by the IJO, which was attended by a large number of representatives from the World Bank, the importing donor countries, and the members of the IJO's jute exporting countries. At the end of the conference, the International Jute Accord was extended for another two years to 1998. During this extended period, the IJO are supposed to organise a number of workshops and seminars on jute with a view to exploring the possibility of expanding jute trade in the world market competing with the cheaper artificial synthetics. A point of vital importance was raised by the members of the importing countries like Japan and the USA at the conference, which was either over-looked or avoided by the newspaper reporters. The BBC, in its "Bulletin" and "Probaha" on April 25, '95 broadcast that the members of the importing countries have raised objection in importing jute goods from Bangladesh, because of the application of certain chemicals, which, according to them, is harmful.

If it is really so, then, the so-called enzyme treatment of the IJO is mainly responsible for such adverse effect on the jute goods of Bangladesh. The chemicals like JB Oil, Nanidade (N), TS Powder and Tallex, have basically been used in our jute goods. We had never received any such complaint from the buyers abroad about such adverse effect of our jute goods.

The IJO wanted to reduce the softening time of hard rooted SMR and cuttings due to decomposition within two to three days instead of normally six to eight days time by application of so-called enzyme treatment. This could only be possible by using urea which is harmful to food-stuff carried in the jute bags. Such process of application of urea treatment, so far I remember, was once tried by one expert, Delaney, of Star Jute Mills Ltd., Khulna, in 1968. But this was immediately discarded because of reactions from the buyers abroad. Since then, urea was never used on jute.

Such enzyme treatment affects Bangladeshi jute products in the world market. And this would effectively kill the prospect of the future of our jute.

(Future of jute in Bangladesh — Part 2 will appear tomorrow)

From the magazine, "Jute and the IJO" published in November 1994, I came to learn about some positive efforts, made by the IJO to improve kenaf, jute, and other fibres produced by the member countries in Asia. IJO have persuaded the goal through agricultural research and development (R&D), since its inception in January 1984.

Incidentally, the magazine appears to be a reply to my article on jute published in "The Daily Star" on October 9, '94, in which, I was critical of the negative attitude of IJO in Bangladesh.

The IJO project is carrying improved retting and extraction of jute research on microbial retting in Bangladesh, China, India, Indonesia, Nepal and Thailand. Some positive results have been obtained through this project.

In China, one strain of bacteria has been found to ret dry kenaf ribbons in 36 hours under laboratory condition. Some bacterial cultures have been developed which could reduce retting time to only three-five days. A post-retting fungal culture, developed by the Assam Agro Industries Corporation of India, was collected by the IJO and tested in the Bangladesh Jute Research Institute (BJRI) in order to improve jute quality.

The IJO developed enzymes specifically suited to soften low-grade jute and cuttings, which, otherwise, would have gone waste as barks matter. Large-scale trials were conducted at Karim Jute Mills, Dhaka, Maqbular Rahman Jute Mills, Chittagong, and in Shree Raghupati Jute Mills, Nepal.

From cost benefit analysis of these three trials, it is observed that enzyme-treated low-grade jute can extensively be used in hessian web/sacking warp, in addition to sacking web, to enable a cut in raw material cost of approximately 18 per cent.

Retting of jute, kenaf in the water scarce area is a problem due to shortage of water during retting season. Ribbon retting technique provides a solution to this problem.

From the above, it reveals that the IJO is doing some positive work to improve retting system and trying to soften hard barks parts of jute and kenaf. They are also trying to introduce ribbon retting technique in water scarce area of jute and kenaf to find a solution to this problem.

But in spite of all these activities, the implementation programme of the IJO in Bangladesh is far from what is expected from them. The experiment of enzyme treatment for softening hard cuttings and SMR in the Batching Department of Karim Jute Mills and Maqbular