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100, Kazi Nazrul Islam Avenue, Dhaka-1215

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# The Daily Star BUSINESS

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**HYUNDAI**

CARS THAT MAKE SENSE

BOI chief exchanges views with economic reporters

## Foreign investment likely to rise by 300 pc this FY

Bangladesh has received a significant volume of foreign investment proposals in last few months, signalling that its negative image has been fading out and reforms started delivering, reports UNB.

"We have overcome the lag period (of reform). Statistics of long-term lending, imports of machinery and raw materials, all are the signs of investment picking up," Dr Toufique Elahi Chowdhury, the Executive Chairman of the Board of Investment (BOI), said on Saturday.

Exchanging views with the members of Economic Reporters' Forum at National Press Club, he said the Board expected foreign investment to the tune of 2.5 billion US dollar in 1995-96 fiscal year (FY) up by 300 per cent over last year's 800 million dollar. The country, he said, expects a total amount of Tk

15,000 crore as the industrial investment outlay in the current fiscal. Domestic investment proposals are expected to rise by 100 per cent this year.

The BOI investment figure, however, does not include the investments in two Export Processing Zones, small sized industries and the projects under balancing, modernisation, rehabilitation and expansion (BMRE), he told the reporters.

The BOI executive chief attributed the buoyancy in foreign direct investment in the country to improvement of the image of Bangladesh abroad and the outcome of the structural adjustment programmes.

Although the BOI has received the proposals for a significant amount of investment from March 1991 to December last year, the pace of implementation by volume of investment of the total

projects, both foreign and local, remained sluggish.

According to Board, 58 per cent of the investment volume does not see any action for implementation while 26 per cent actually goes for production. Some 8 per cent of it will start production soon and another 8 per cent was on different stages of implementation during the period.

In case of foreign direct investment, 55 per cent of the total volume has already been in production. "It is evident that those foreign investors who registered with the Board were ready to invest," said Dr Chowdhury.

Metropolitan Chamber of Commerce and Industry (MCCI) President Samson H Chowdhury, taking part in the discussion, also identified poor infrastructure, apart from political instability, as one of the major hurdles in making investment.

"In fact, the decision of setting up of offices of power and phone boards are timely. In one or two years, there will be a lot of investment in the country," he said, referring to the decision to convert BOI to a really one-stop service.

Samson Chowdhury, who mainly spoke on industrial cooperation in the SAARC region, said a real breakthrough in regional economic cooperation could be achieved only through industrial cooperation as the level of intra-trade in the region, constituted by primary and traditional products, is only about 3 per cent.

Some bilateral measures need to be taken in the meantime to improve bilateral trade leading to industrial complimentary, he observed.

BRF President Moazzem Hossain and Secretary General Shamsul Haq Zahid also addressed the meeting.

## More lands taken up for rabi cultivation in Netrakona

NETRAKONA, Jan 7: Agriculture Extension Department of Netrakona has taken up a rabi cultivation programme during the current rabi season, reports BSS.

Deputy Director of Agricultural Extension Department said under the programme 1,13,000 hectares of land would be brought under boro cultivation programme. Of the total lands, 80,000 hectares would be brought under High Yielding Variety (HYV) and the rest under local variety.

Besides, 8,000 hectares would be brought under wheat cultivation, 10,400 hectares under mustard cultivation, he said.

For the successful implementation of the programme, the Agriculture Extension Department would supply 37 metric tons of boro seeds, 70 metric tons of wheat seeds and 810 kgs of mustard seeds among the small and marginal farmers at free of cost in all the ten thanas of the district.

The department would also supply fertilizers, insecticides, irrigation machinery and other agricultural equipment among the cultivators.



Asaduzzaman Noor, a noted TV personality, seen inaugurating the stall of Sanoara Corporation at the Dhaka International Trade Fair recently. Sukumar Chowdhury (L), an official of the corporation, also seen in the picture.

## Women labourers in Narail on the rise

NARAIL, Jan 7: The number of women labourers is increasing day by day in the district as more and more women are becoming destitutes due to abject poverty, reports UNB.

A large number of women are engaged in earth digging, brick fields and husking mills. The number of women agricultural labourers has also increased during recent period.

Unmarried girls of poor and distressed families and divorcees constitute the majority of the women labourers in both rural and urban areas, local people said.

Frequent natural calamities including flood, river erosion and drought are the main reasons of the rising trend of women workers.

Finding no other way out, the poor women are increasingly engaging themselves in various hard works to eke out their living.

But the employers do not pay the female labourers as much as they pay the male workers for the same job. The women are always considered 'cheap' by the employers in terms of wages.

Local people urged the concerned authorities to take appropriate measures for providing suitable works for the poor and distressed women of the district.

The government and non-government agencies can take income generating programmes for them so that they can maintain their livelihood, they said.

## Tk 1cr uplift projects taken up in Tangail

TANGAIL, Jan 7: Tangail Zila Parishad will implement 12 road development projects at a cost of Taka one crore and thirty lakh in this fiscal year, reports BSS.

Official sources said that under this programme nine bridges will be constructed in the district at a cost of about Taka 56 lakh and three roads will be given bituminous carpet with the rest of the allocated money.

The construction work will start soon.

## Newsprint scarcity in Madaripur

MADARIPUR, Jan 7: Acute scarcity of newsprint and white has been prevailing in the district for a few months, causing problems to the students and publishers, reports UNB.

White paper is now being sold between Tk 14 and 16 per quire while newsprint is being sold in different markets at a much higher price.

Local consumers blamed the hoarders for creating artificial scarcity of paper to earn windfall profit. But the traders attributed the present crisis to the short supply of the same.

Local people have urged the authorities concerned to look into the matter and take immediate steps to ensure adequate supply of paper in the market.

## Ford's sales up 9pc in '95

FRANKFURT, Jan 7: Ford Motor Company's German division on Wednesday said its sales for 1995 were up nine per cent over the previous year, reports AP.

The Cologne-based headquarters said its total sales for the year climbed to 25.5 billion marks (17.8 billion dollars), up from 23.4 billion marks (16.4 billion dollars) in 1994.

Unit sales also rose nine per cent to 1,049,000. The increase was led by a 16 per cent surge in domestic sales to 407,000 units, and a more moderate 5.1 per cent export increase to 642,000 units, a company statement said.

Looking ahead to the full year, Ford-Werke Chairman Albert Caspers said he expects the German auto market to show a 'slight improvement'.

The company didn't release any earnings details for the year.

Ford ranks third in Germany according to market share, after Volkswagen and General Motors subsidiary Opel. The German division has production facilities in Cologne, Saarbrücken and Genk.

The company credited its new Escort and Scorpio models for the sales improvement last year, as well as introduction of its new Golf and Windstar mini-vans.

## Maharashtra state defers decision on Enron project

BOMBAY, Jan 7: The state of Maharashtra deferred a decision Saturday on a new offer by the US-based Enron Corp to build a power project, reports AFP.

A special cabinet meeting inconclusively discussed the cost-cutting offer for two hours. "We did not have enough time to complete our discussions," state Chief Minister Manohar Joshi told reporters.

Joshi said a decision is likely to be taken next Wednesday.

Details of Enron's new offer have not been released. The power project is the largest foreign investment since India began to liberalize its economy in 1991. It is being closely watched by potential investors.

Last year, the US energy giant signed a 2.8 billion dollars deal for the project with the previous Congress Party state administration for power plants producing 2015 mega watts.

But after the state elections, a new coalition of Hindu nationalist parties, the Shiv Sena and the Bharatiya Janata Party, cancelled the deal.

It said the capital costs were too high and that Enron's guaranteed profits would be above the 16 per cent norm.

Fresh negotiations were held with a government team of experts, at which the consortium offered to lower the cost of the project.

## Mexican stocks soar to record high

MEXICO CITY, Jan 7: Mexican stocks surged 5.4 per cent to a record closing high, boosted by a stable peso, a strong performance on Wall Street and bargain-hunting by investors, reports AP.

The market's key IPC index on Tuesday finished up 150.96 points at 2,929.43. The prior record close was 2,881.17 on February 8, 1994, before the December 1994 peso devaluation that rocked Mexican financial markets.

"It looks like the people who left the market in December came back in a big way today," said one local trader. "There was optimism everywhere."

In addition to the other factors contributing to the rise traders cited expectations that rates for dollar-denominated treasury bills known as Cetes will drop for a third straight week at the primary weekly auction scheduled by the central bank for later Tuesday.

The stock market's value still remains below 1994 levels in dollar terms, however. The peso has lost 55 per cent, against the dollar since December 20, 1994, when Mexico's financial crisis erupted.

Volume totaled 1.10 billion pesos on 154.6 million shares traded - the ninth time in the last 10 sessions that volume topped one billion pesos.

Most market observers were surprised at the steep climb of the IPC, amid earlier predictions that the first week of January would be a fairly quiet one as market players struggled back from holidays and pondered investment strategies for 1996.

## SAIC seminar stresses exchange of information

A seminar on Saturday emphasised exchange of information for accelerating agricultural research and development in the SAARC countries, reports UNB.

The seminar titled "Role of Regional Co-operation in Agricultural Information for Increasing Production in the SAARC Countries" was held in the Bangladesh Agricultural Research Council (BARC) conference room.

It was organised by the SAARC Agricultural Information Centre (SAIC) to commemorate the first decade of South Asian Association for Regional Cooperation.

Speakers at the seminar said there should be close interaction between SAIC's professionals with information professionals regionally and globally in fulfilling the sole objective of sharing thoughts and ideas.

The praised the performance of SAIC in its respective sector and stressed the need for networking which should be given top priority.

They also highlighted the role of SAARC in regional co-operation, with special reference to SAIC, and assured full support of host Bangladesh to provide infrastructural facilities to the centre.

Agriculture Secretary M Akbar Ali addressed the function as chief guest while DG

(South Asia) of Foreign Ministry FA Shamim Ahmed as special guest.

Dr AS Chandal, Dr SS Srivastava, RM Kamal and BN Karmacharya presented the seminar papers.

It was also addressed by SAIC Director M Zahangir Kabir with BARC Executive Vice-Chairman Dr MSU Chowdhury in the chair.

In observance of the first decade of SAARC, the SAIC will also organise a four-day exhibition of information materials and video show of success stories on transfer of technology from SAARC countries.

The exhibition will remain open from January 8 to 11 in SAIC's conference room from 9 to 12:30 pm everyday.

## US trade show begins in Bangladesh Thursday

The fifth annual "US Business in Bangladesh Trade Show" will open Thursday at the Dhaka Sheraton, says a USIS press release.

Its goal is to popularise US products and help develop contacts between the US and Bangladesh business communities.

The US Ambassador to Bangladesh, David N Merrill, will open the three-day show which is co-sponsored by the US Embassy and the American-Bangladesh Economic Forum (ABEF).

To accommodate the increased US participation, the US-Bangladesh trade show this year will cover a larger area in the Sheraton Winter Garden and tennis courts.

There will be 78 booths with 48 participants, representing

150 US firms in the show. About 20 expatriates will represent their parent organizations in the show.

During the show, ABEF will arrange one hour exhibitors' breakfasts daily for briefings on management topics by trade show consultant Rita Bhimani. A luncheon will be arranged on the concluding day to honor the expatriates from participating US firms.

The US Ambassador and a number of government officials are expected to attend. The show will be open January 11-13 from 10 am to 8 pm each day.

On the opening day, the show will be open only to traders until 5 pm when it will open to the general public.

## BKB to disburse Tk 15.54 cr loan in Pirojpur

PIROJPUR, Jan 7: Bangladesh Krishi Bank has taken up a programme to disburse Tk 14.54 crore loan in the district during the current fiscal year, reports UNB.

Out of the total, Tk 1.30 crore will be disbursed for cultivation of Aman, Tk 1.18 crore for Aus, Tk 3.5 crore for Boro, and Tk 1.40 crore for potato and sugarcane.

Besides, BKB will disburse Tk 2.06 crore for livestock, Tk 1.44 crore for salt cultivation, Tk 95 lakh for self-employment of landless and marginal farmers and distressed women.

The bank has already begun disbursing of loan through its 21 branches in the district.

## S Korea may relocate 1000 industrial units to Bangladesh

South Korea is willing to relocate some 1,000 industrial units to Bangladesh, the chief executive of the Board of Investment said on Saturday, reports UNB.

BOI Executive Chairman Dr Toufique Elahi Chowdhury said the South Korean investors had already communicated to Bangladesh officials their willingness to bring some 1,000 "sunset" units over to Bangladesh.

Negotiations between concerned officials and the interested Koreans are going on, he said, while meeting with the members of Economic Reporters' Forum at National Press Club.

The word sunset unit means a sick industrial unit that has become incompetent because of different economic factors.

The BOI executive chief said Bangladesh has been rated ahead of Myanmar, Vietnam and India in terms of liberalisation of its economy and favourable domestic investment climate.

## UNHCR resumes aid to Bosnia

ZAGREB, Jan 7: The United Nations Refugee Organisation (UNHCR) said it resumed aid to central Bosnia on Friday after settling a row with local Croats, reports Reuters.

"The (Bosnian Croat) Agricultural Minister Marko Bozanic has agreed that UNHCR does not need to pay taxes they demanded yesterday," said Mans Nyberg, a spokesman for the UN High Commissioner for refugees.

The first convoy left this morning for Sarajevo from Metkovic, Nyberg told Reuters. Metkovic is in Croatia near the Bosnian border.

The UNHCR suspended relief convoys in central Bosnia on Thursday after Bosnian Croats demanded a 50 Croatian kuna (10 dollar) "inspection fee" for each truck crossing into Muslim territory. Convoys are generally made up of 30 vehicles.

It refused to pay as a matter of principle, saying the UNHCR paid no taxes to any government. It took the matter up with the Muslim Bosnian government in Sarajevo, which under the peace accord is responsible for ensuring freedom of movement.

Bozanic is a member of the self-styled Herceg-Bosnian government of local Croats, which was supposed to have been disbanded when Bosnian Croats and Muslims formed a federation in 1994.



The chairperson of Libra Pharmaceuticals Ltd, Begum Shamsunnahar Ahsanullah, addressing the 17th annual General Meeting of the Company recently. Managing Director Dr Raushan Alam, Director Khawja Zaki Ahsanullah and M Mesbahul Huq seen sitting beside her.

## Islamic party's victory casts doubts over EU-Turkey deal

ANKARA, Jan 7: The special European Union trade status that Prime Minister Tansu Ciller fought for went into effect Monday, but the recent victory of an Islamic party leaves doubts over the deal's future, reports AP.

The customs union, ratified by the European Parliament last month, gives Turkey the closest links with the EU short of membership by knocking down trade barriers in all fields except agriculture and steel.

With the rapid growth of an anti-Western movement in her overwhelmingly Muslim country, Ciller campaigned on a platform that the pact, after initial hardships, would bring Turkey prosperity and closer to the West.

"Hello Europe," read a banner headline in the daily Hurriyet.

"Now we have to get fully mobilized to become a full member," of the European Union, Ciller told reporters in the central city of Bolu on Monday.

But that prospect, never close at hand, seemed even further away after the Islamic Welfare movement became parliament's largest party in

December 24 elections. In the long run, customs union was expected to boost production and bring new jobs with a rise of foreign investment.

But during his campaign, Welfare's leader, Necmettin Erbakan, emphasized the expected short-term drawbacks to Turkey, possible loss of jobs in businesses not able to compete with an initial flood of lower-priced EU-made goods. Turkey now has 20 per cent unemployment.

At rallies, Erbakan pledged to "tear up" the agreement, which he called part of a Western plot to "colonize" Turkey. Welfare won 158 seats in the 550-member Parliament.

To try to draw center-right parties into a coalition alliance with Welfare after the election softened his anti-Western rhetoric. In a recent statement, he said his party was not against the customs union itself, just some of its terms.

He said he would ask for a renegotiation.

"Nobody can dare deny the custom union deal, which would mean damaging Turkey's economic, social and political system. No such mea-

sure, opposed by 79 per cent of the Turks who did not vote for welfare, can be taken," said Asim Kocabiyik, a leading industrialist.

But if the short-term drawbacks start showing, "then Welfare will say 'You see, I told you that his customs union was not to our advantage,' make an issue of it," said Memduh Hacıoglu, another industrialist.

The European Parliament approved the favourable trade status with Turkey despite strong reservations over Ankara's human rights record. Ciller and her center-right rival Motherland's leader Mesut Yilmaz may form a coalition to block Welfare from power. But neither of the two wants to see the other become prime minister.

The government on Sunday published 1,088 pages of regulations governing the customs pact.

Closer relations are also expected to increase tourism from EU countries. But without full membership, a bid this Muslim country first made in 1987, some 2.5 million Turkish workers in EU countries won't have unrestricted movement.

## BCIC output rises by Tk42.10cr in 6 months

Bangladesh Chemical Industries Corporation's enterprises have produced goods worth Taka 690.22 crore during the first six months of the current fiscal year, reports UNB.

It is Taka 42.10 crore more than that of the corresponding period of last fiscal (1994-95) which was Taka 648.12 crore, said a BCIC press release Sunday.

During the period, six urea fertilizer factories have combinedly produced 10,60,360 metric tons of urea as against 10,04,993 metric metric tons in the previous year.

Two paper mills of the corporation — Karnaphuli Paper Mills and North Bengal Paper Mills — produced 18,510 metric tons of paper as against 18,361 metric tons last year.

Karnaphuli Rayon and Chemicals produced 518 metric tons of rayon staple fibre during the period while the output was only 84 met-

ric tons in the previous year's same time.

Chhatrak Cement Company Limited, the only public-sector cement factory of the country, produced 84,005 metric ton cement in the six months. It was 65,712 metric tons during the corresponding time of last (1994-95) year.

Bangladesh Insulator and Sanitaryware Factory produced 1,636 metric tons of sanitaryware and 655 metric tons of insulator as against 1,498 metric tons and 426 metric tons respectively of previous year.

Usmania Glass Sheet Factory produced 9.65 L/Sq metre glass sheet as against 3.25 L/Sq metre.

BCIC has set a production target of goods worth Taka 1,479 crore for the 1995-96 fiscal in comparison to the 1994-95's actual turnover of Taka 1,311.71 crore, projecting 13 per cent growth.

## S.region team calls on Biswas

The government has been trying to ensure equitable setting up of a seaport and tourist centre at Kuakata. They also sought establishment of a full-fledged university, education board, madrasa board and a stadium at Barisal divisional headquarters.

Assuring his support and help to the demands contained in the memorandum, President Biswas said initiatives had already been taken in respect of some of the demands.

Among others, Prof Abdus Salam Khan, AKM Afzal Hossain, M Mozibur Rahman, GM Sarwar Hossain, Syed Nazrul Islam, M Anisuzzaman and Advocate Nurul Islam were present.

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