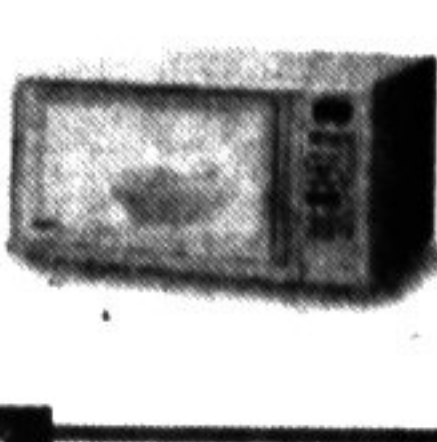


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BUSINESS



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Devaluation of Taka against US dollar demanded

The Bangladesh Jute Spinners' Association (BUSA) demanded immediate devaluation of Taka against US dollar in the interest of the development of export market, reports BSS.

Sabbir Yusuf, the chairman of the BUSA, in a statement yesterday said because of "artificial high rate" of Taka against dollar, our export was suffering. Though we are following free economy, but cent per cent convertibility of the currency market has not been achieved so far, he said adding dollar-Taka exchange rate is still being kept under government control.

BUSA leader said because of devaluation of its rupee, India has become major competitor of our exportables like jute goods, readymade garments, tea, leather and leathers goods. Instead of expansion, our export market is being squeezed because of the impact of devaluation of Indian rupee, he opined.

Sabbir said in five years (1990-95) rupee-dollar Taka-exchange in India was raised by 101.55 per cent, while in the same period Taka-dollar rate rose by only 12.76 per cent. Because of its rupee devaluation, India is in a position to sell goods at between 20 to 30 per cent less costs, he said.

Besides, to promote further sale of jute yarn, India is offering 10 per cent external market assistance resulting in phenomenal rise of their export of jute yarn twine in recent years.

BUSA chairman demanded similar facilities awarded to Bangladesh exporters to maintain the export market, the statement said.

Pvt investment in developing countries reaches new high

Private investment in developing countries has reached a new high as public investment continues to fall, largely because of privatization programmes and widespread fiscal belt-tightening, according to the latest edition of Trends in Private Investment in Developing Countries, published by the International Finance Corporation (IFC), says a press release.

Never in recent decades has the amount of private fixed investment in developing countries been as high as in 1994, says Guy Pfeffermann, Director of the Economics Department and Economic Adviser of the IFC,

which is part of the World Bank Group.

The seventh annual addition of the report, covering the years 1970-94, is a unique data source, present-

ing the latest statistics, international flows and an expanded and updated analysis of determinants of private investment.

In the 1990s, private investment in developing countries experienced a marked revival, as governments continued to lower public deficits — freeing up scarce resources for increased private investment spending — accelerated privatizations and shifted infrastructure investment to the private sector. In 1994, the latest year for which data exists, the average private investment-to-GDP ratio rose by more than a full percentage point to 18 per cent, and now stands some 6 percentage points above the low reached in the mid-1980s.

The overall performance of private investment, however, continues to mask wide disparities in investment

performance across regions. High and steady investment rates in East Asia stand in marked contrast to low and falling investment rates in Sub-Saharan Africa. While average investment-to-GDP coefficients in Latin America ranked between these two extremes, investment rates in the major Latin American countries have risen dramatically. Private investment rates in South Asia and in the Middle East and North Africa region remained stable.

Some of the largest economies — Argentina, Brazil, Indonesia, Turkey — and a number of smaller ones, including Cote d'Ivoire, Egypt, El Salvador, Madagascar, Mali, Nepal, Peru and Sri Lanka had some very strong increases in private investments. But in over half the countries, mostly smaller economies, private investment either remained stable or declined.

Garments workers demand ban on AAFLI activities

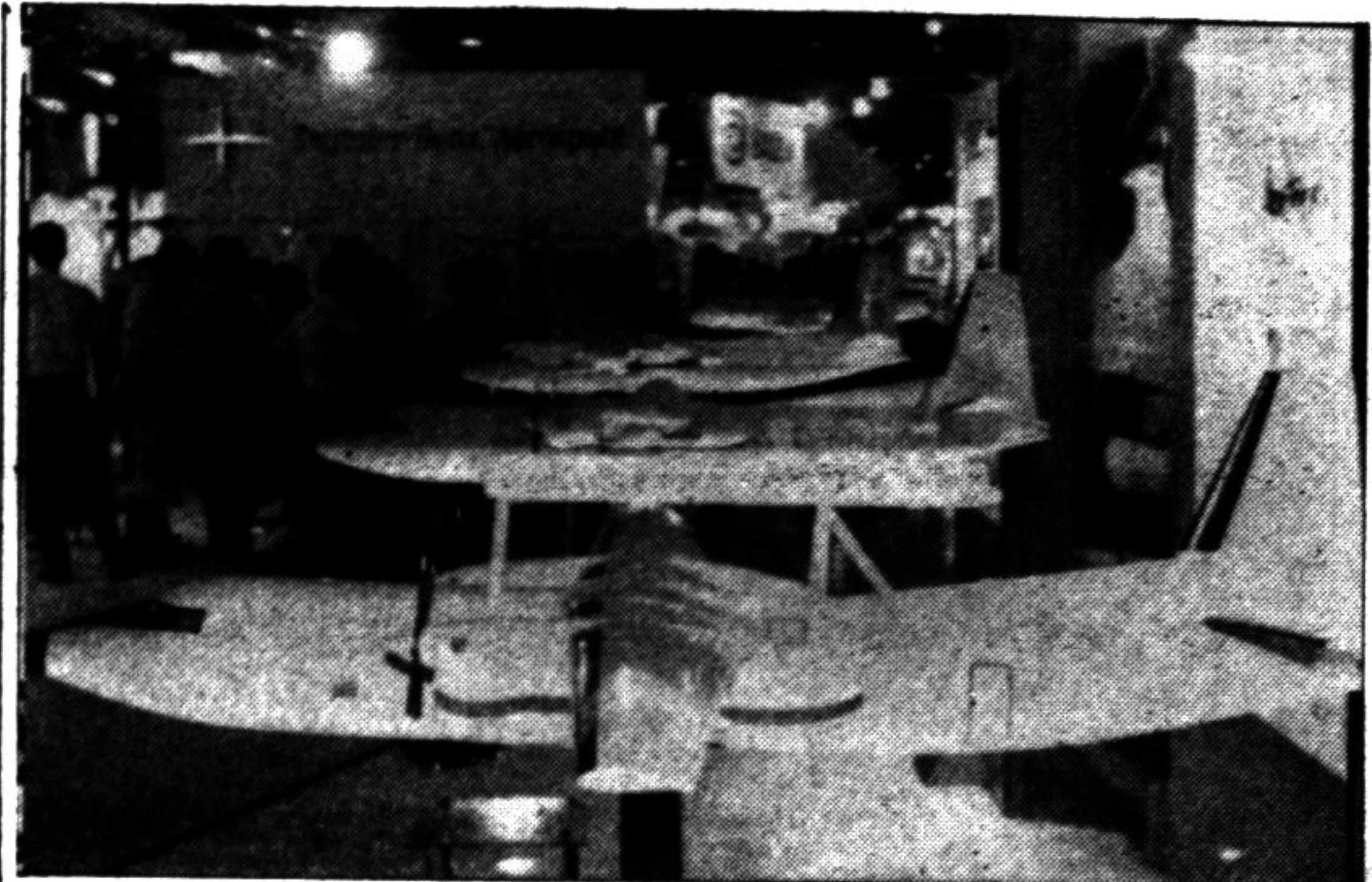
Leaders of the garments industry yesterday appealed to the people to support their demand for closing down the Asian American Free Labour Institute (AAFLI) in the country.

"We will announce an agitation programme against the AAFLI if the government does not stop its activities by the end of this month," said Khurshid Alam, president of the Bangladesh Garment Workers Federation (BGWF) at a news conference at the Jatiya Press Club.

The BGWF asked the government to ban the activities of AAFLI in the country immediately.

The nefarious activities of the AAFLI have already been made public by the media, they pointed out saying they did not understand why government was shying away from taking any step against the said organisation to protect the national interest.

The AAFLI is bent upon taking over the control of major business institutions to implement its vicious designs that threaten the national sovereignty, they alleged.



Various models of the Fokker aircraft on display at the Asian Aerospace '96 exhibition in Singapore on Wednesday. More than 900 companies from 36 countries are displaying their products at the six-day Asian Aerospace '96.

African economies stand to lose \$ 2.6b annually

ADDIS ABABA, Feb 8: African economies stand to lose around 2.6 billion-dollars annually with the increasing global liberalisation of world trade, a UN-chaired economic conference heard yesterday, reports Reuters.

The UN Economic Commission for Africa (ECA) warned that the erosion of trade preferences for commodities such as coffee and cocoa could be as high as 100 per cent with minerals and metals also being hit hard.

The warning was enclosed in an ECA analysis released at the end of the six-day meeting in the Ethiopian capital Addis Ababa, attended by regional trade experts and the Ethiopian Trade Minister.

It did not give a timetable for the continent's descent into renewed debt.

ECA head Kingsley Amako, a Ghanaian economist called on African countries to make their economies more competitive in order to meet challenges posed by the Uruguay Round.

"For Africa to reap the benefits of the changing world, it has to put its own house in order, build up a strong, competitive supply capacity and equally promote

human, institutional and infrastructural capabilities in support of trade," said Amako.

"The era of special treatments and generous unilateral trade preferences will soon be over while concessional resources flows are gradually drying up," he said.

The Uruguay Round, a set of world trade negotiations started in 1986 and finished in 1993 under the auspices

of the general agreement on tariffs and trade, allows for a steady increase in trade liberalisation and a reduction of international tariff barriers.

Ethiopian Trade and Industry Minister Kassahun Ayele called for a new strategy to help eliminate the expected increase in Africa's debt burden.

"Africa may soon be further marginalised in the international market unless corrective measures are urgently taken and plans are mapped out to prepare the continent to enter the emerging globalising and liberalising world," Ayele said.

On Monday the World Bank was set to weigh options for easing the debt crisis that is forcing Sub-Saharan Africa to its knees.

Aid groups and charities are calling for the write-off of a billion dollar debt mountain that is crushing development across the continent.

"We are going to the April meeting of the development committee with some proposals for new instruments within a broad framework," World Bank chief economist Ravi Kanbur told Reuters in London.

Dubai gold imports hit record high

DUBAI, Feb 8: Gold imports by the Gulf emirate of Dubai, the commercial hub of the Middle East, hit a record in 1995 due to a surge in domestic and regional demand, the World Gold Council (WGC) said today, reports AFP.

The imports totalled around 318 tonnes, the WGC said.

"The remarkable growth in gold imports in Dubai is a good measure of the buoyancy in gold consumption in the entire region," said the WGC Chief Executive in the Region, Rolf Schneebeli.

He said imports were 23.6 per cent higher than the 1994 level of 257.1 tonnes in 1994 and broke the 1992 record of 284.4 tonnes.

Dubai is the main regional gold exporter to India, the world's biggest consumer of the precious metal. Delhi's decision three years ago to ease curbs on gold imports was the main factor in the upturn in Dubai's gold trade.

The WGC figures showed Switzerland was the top gold supplier to Dubai in 1995, exporting 206.2 tonnes, nearly 65 per cent of the Emirate's total imports exports by Britain stood at 97.1 tonnes and South Africa at nine tonnes.

Officials in Dubai, the wealthiest member of the oil-rich United Arab Emirates (UAE), expect a further increase in the gold business during a six-week shopping festival opening here next week.

UN considering cutting 1150 staff to ward off financial crisis

UNITED NATIONS, Feb 8: The United Nations is considering a staff cut of 1,150 professional and clerical workers to ward off a financial crisis that threatens to bankrupt the world body, UN officials said over the weekend, says Reuters.

Secretary-General Boutros Boutros-Ghali may announce any day that he has no choice but to accept recommendations from a top management panel that outlined the cuts, they said. The reductions are necessitated by a new US inspired two-year budget of 2.6 billion dollars that required immediate spending cuts and by the 1.2 billion dollar debt owed by Washington for regular dues and peacekeeping.

The US arrears amount to about half of the 2.1 billion dollars owed to the United Nations at the end of 1995, which has seriously affected its monthly cash flow.

To ward of complete closure, Joseph Connor, the Under-Secretary-General for Management and Administration, has asked wealthier countries to pay all or part of their 1996 dues earlier than usual. The largest payment in January came from Italy for 56.3 million dollars, follo-

wed by Germany, Canada, Sweden, the Netherlands, among the countries.

A memorandum to Boutros-Ghali by the UN Advisory Panel on Management and Finance, obtained by Reuters, says he has little leeway to make further cuts in any way but cutting staff among the more than 13,000 secretariat employees in New York, Geneva, Vienna and elsewhere. It recommends:

600 posts cut for general non-professional staff by the end of 1996. Of these, about 480 have to be laid off, with the remaining posts cut through attrition and retirement. The reductions are 10 per cent of the total.

550 professional staff posts cut, amounting to 14 per cent of the total. This would mean laying off 210 staff.

A recruitment freeze on all categories, including those on short-term contracts. Staff hired in 1995 whose contracts expire during 1996-1997 will not be renewed.

UN officials said a department like peacekeeping could be severely cut back since most of its staff are military planners recruited from governments on a temporary basis.

Connor has already asked if

50 per cent could be cut from the temporary staff, officials said.

Although peacekeeping missions have been reduced, the planning staff was still considered far too modest even for the remaining 16 operations. There are no military forces anywhere in the world so meagerly supported," said Canada's UN Ambassador Robert Fowler in remarks to a financial committee and to the Diplomatic World Bulletin Newspaper.

He called the financial crisis a "politically inspired financial collapse," a reference to the Republican-dominated US congress and its reluctance to settle the US debt.

The budget crisis is considered the worst since the United Nations was founded in 1945, with Congress refusing to pay its present and past obligations. To convince congress to appropriate the funds, the Clinton administration campaigned for an austerity budget and streamlining of costs.

UN dues are based on the wealth of a country and other factors, putting US payments at 25 per cent. The European Union pays about 35 per cent.

Coca Cola takes halal label

JAKARTA, Feb 8: Soft drink giant Coca Cola has attached the Muslim 'halal' label on all Indonesian coke bottles starting this month, a press report said here Wednesday, reports AFP.

Coca Cola Amatil's Executive Director here, Vincent Monterola, said that the labelling was done in anticipation of a halal-labelling law on all food products in Indonesia, as quoted by the Daily Repubblica.

Halal is the term used for products, including food prepared according to Muslim.

Almost 90 per cent of Indonesia's population of 195 million are Muslim and are currently in the middle of the Ramadan, a month of fasting during daylight hours, which ends February 20 with Eid-ul-Fitr, the largest annual Islamic festival.

Last week, President Suharto called for all food products to have halal labelling by the end of this year.

Monterola said that coke now controls about 75 per cent of the Cola market in Indonesia.

Coke is currently building a 72-million-dollar bottling factory near Jakarta, which will be capable of producing eight million bottles a day.

BKB disburses Tk 6 cr loan in Rajbari

RAJBARI, Feb 8: Bangladesh Krishi Bank disbursed Taka 6.05 crore loan among the farmers of the district during the last six months, reports UNB.

Official sources said the loans were disbursed among 7,109 farmers of Sadar, Goalandia, Pangsha and Baliakandi thana through its 13 branches.

Of the amount, Taka 4.47 crore was disbursed to boost crop cultivation and Taka 1.18 crore for other purposes.

Jakarta's trade surplus stands at \$ 633.8m

JAKARTA, Feb 8: Indonesia's trade surplus in November stood at 633.8 million dollars, with exports of textiles up but lower revenues from those of processed wood, including plywood, Information Minister Harmoko said yesterday, reports AFP.

Exports in November stood at 3.988 billion dollars while imports during the same month stood at 3.354 billion dollars. Harmoko told journalists after a routine monthly cabinet meeting.

There were no figure released last month for trade in October.

He said that revenues from exports of textile grew by 5.9 per cent but that those from processed wood, including plywood, went down by 3.55 per cent.

Harmoko did not elaborate.

The cabinet meeting decided to raise the government-set floor price for rice and unhusked rice in an effort to increase farmer's incomes, the minister added.

The floor price, which sets the minimum selling price of a commodity at farmer's level, was raised by 12.5 per cent to 450 rupiah (19.5 cents) a kilogram for unhusked rice while the price of husked rice was raised 12.3 per cent to 738 rupiah (31.9 cents) a kilogram.

This government decision is hoped to raise farmer's income by about 5.33 per cent," Harmoko quoted President Suharto as telling the cabinet.

Money rates in the call money market during the week ended Wednesday ranged from 5.00 per cent to 7.00 per cent yesterday, says a press release.

During the same week interest rates offered by the bank on Certificate of Deposits varied from 6.00 per cent to 8.00 per cent.

Singapore finance minister seeks to expand forex stabilisation system

TOKYO, Feb 8: Singapore Finance Minister Richard Hu said in an interview published here today he wanted to expand to all ASEAN members a system aimed at stabilising foreign exchange, reports AFP.

Singapore, a member of the seven-member Association of Southeast Asian Nations, signed an accord with Indonesia and Thailand last year on the system.

The other ASEAN members are Brunei, Malaysia, the Philippines and Vietnam.

The system, makes it easier to obtain dollars, when there is a rapid change in foreign exchange. I would like to expand it to the entire ASEAN, the Singapore Minister said in Singapore in an interview with major Japanese business daily Nihon Keizai, published in Japanese.

But he added, "Japan and China are too big. We have no contacts with China."

Foreign exchange officials in Singapore said Hu was referring to so-called repurchase agreements or repos enabling central banks to borrow from each other to bolster reserves in times of crisis, as in the case of the



LONDON: Jayaran Khadka, adopted son of millionaire businessman Richard Morley (R), after the immigration Appeals tribunal hearing, which recommended on Wednesday that 19-year-old Jay, from Nepal, be allowed to stay in the country. Morley has pledged to leave Britain forever if the government deports his son. —AFP/UNB photo

Rise in fuel price, tax protested in Philippines

ILIGAN, Philippines, Feb 8: Tens of thousands of people took to the streets Thursday in new nationwide protests against a 10 per cent tax, a fuel price increase and proposed new police powers, reports AP.

Passenger jeep and bus drivers stopped work in the key cities of Iligan, Davao, Cagayan de Oro and Ililoilo, crippling transportation and forcing many schools and businesses to close.

City officials in Iligan took part in a mass rally in the city centre, joining thousands of students, workers, drivers, priests and nuns in denouncing what critics called a "triple whammy" against the Filipino people.

Although the growing protests are still a far cry from the mass actions that brought down the late strongman Ferdinand Marcos a decade ago, President Fidel Ramos is facing his biggest challenge ever.

On Wednesday, the three million-member Iglesia ni Kristo church joined the Protestant and Catholic churches in opposing the oil price hike and the expanded value-added tax as measures that unfairly hurt the poor.

Religious groups, civil rights organizations and leftists have also joined in opposing new police powers being sought by the administration to fight terrorism.

Critics fear the government could use the measures — which would allow wire-tapping, warrantless arrests, and inspection of suspects' bank accounts — to suppress political dissent.

The expanded 10 per cent tax has caused many prices to rise, even those for products like unprocessed food that are officially exempt.

US aid programme to DPRK will help improve ties

SEOUL, Feb 8: North Korea said Thursday that an aid programme pushed by the Clinton administration for the flood-stricken country will help improve ties between the two traditional enemies, reports AP.

In its first major step to help the international pariah, Washington announced last Friday that it has decided to provide two million dollars in humanitarian assistance through the Rome-based UN World Food Programme to ease food shortages in the North.

"The humanitarian steps taken by the US will remove distrust between the DPRK (North Korea) and the US," the North's official Korea Central News Agency said Thursday.

KCNA said Washington also has made assurances that it will bend administrative regulations to let private organisations and US citizens make donations to the North, with which Washington still

Bosnia may join WB in March

DAVOS, Switzerland, Feb 8: Bosnia-Herzegovina is expected to join the World Bank in early March despite the large debt it owes the bank, Bosnian premier Hasan Mlatkovic said today, reports AFP.

He said the Bosnian government, which owes the bank 650 million dollars of which 455 million dollars is overdue, did not expect its membership to be dependent on any conditions.

"We expect to become members in early March this year, this is the result of our up to date contacts with the World Bank," he told a press conference at the World Economic Forum (WEF) in Davos.

"As you know we have debts to the World Bank ... we don't expect (the bank) to condition our membership on this because everybody knows that we need special conditions," he said.

Bosnia is responsible for a proportion of the debts run up by the former Yugoslavia. The issue has held up Sarajevo's membership application for months.

Sarajevo may be allowed to join the bank — thus allowing it to take out new loans — without paying off its outstanding arrears, according to news reports.

"We will have meetings again. It is very important for us because it will enable us to get new loans," said Mlatkovic.

Indian rupee opens lower despite govt steps

NEW DELHI, Feb 8: The Indian rupee opened slightly lower in early dealings Thursday, a day after the federal government announced several steps to curb the currency's steady decline against the dollar this year, reports AP.

Traders apparently did not make any big moves in the market Thursday, fearing possible intervention by the federal Reserve Bank of India, market sources said.

But many traders apparently rejected the bank's announcement Wednesday night and felt the package of measures is unlikely to have an impact on the supply and demand balance in the market.

The rupee has weakened against the dollar in recent months, dipping to a record low of 38.15 this week.

On Wednesday, the bank made it more difficult for companies to import and asked exporters to repatriate their foreign exchange earnings.

The measures followed a meeting of top Finance Ministry and Reserve Bank officials to devise a solution to the recent slide in the rupee.

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Such agreements had also been signed by the central banks of Australia, Indonesia, PDB agreement with German firm

The Bangladesh Power Development Board (PDB) and a German firm entered into an agreement in Dhaka Wednesday for the rehabilitation of Bheramara power station costing about Taka 28 crore, reports BSS.

The project to be executed from government's own financing, will require 58.11 lakh US dollars in foreign currency and Taka 4.49 crore in local currency, a press release said.

As per agreement, the Bheramara power station having two units of 20 megawatt each which were commissioned in 1976 will be rehabilitated. The work is to be completed by May, 1997 as per the agreement.

When rehabilitated, the units are expected to generate power near to their capacity and their operational life is likely to be raised.

Malaysia, Thailand and Hong Kong monetary authority

Malaysia, Thailand and the Hong Kong monetary authority.

In the interview, Hu also showed interest in a proposal to establish an Asian version of the Bank for International Settlements (BIS), a Basel-based institution owned by central banks, according to the Nihon Keizai report.

"It is an interesting story. Australia, which proposed the idea, thinks BIS is mainly focusing on the European problem, and it is necessary to have a similar organisation in Asia," Hu said.

"The idea is to coordinate activities of central banks, instead of establishing a new foundation, but the economic scale of each Asian nation varies. The plan is still at an initial stage," Hu told the daily.

He said the idea could be discussed at the Asia-Pacific Economic Cooperation Forum (APEC), which convenes for its next summit in Manila in November.

"It is possible it will be discussed at the APEC Finance Ministers' meeting," he said. The finance ministers are scheduled to meet in the western Japanese city of Kyoto next month.

Call money rates

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Savings rate upward in Tangail

TANGAIL, Feb 8: Tangail district Savings Department achieved investment worth Tk 14,13,21,906 in the first five months of the current fiscal year, reports BSS.

Official sources said of the amount Tk 2,26,55,000 was achieved through its bureau office and the rest through the post offices and banks. The target of the bureau of offices was Tk 3,60,000.00 for this year.

The investment was achieved through postal savings, selling of savings certificates and prize bonds. Last year Tk 19 crore were achieved as savings in the district the official source added.

PDB central zone collects Tk 13.9 cr revenue

The Central Zone of Power Development Board collected Taka 13 crore 9 lakh as revenue during the month of January '96, says a press release.

Of the total amount Taka 5 crore 50 lakh was collected in Sylhet Circle Taka 3 crore 98 lakh in Mymensingh Circle and Taka 3 crore 61 lakh in Planning and Development Circle of the zone.

Meanwhile 983 electricity connections were snapped for nonpayment of outstanding bills amounting to Taka 21 lakh 17 thousand in Sylhet Circle and 1073 for nonpayment of Taka 21 lakh 50 thousand in Mymensingh Circle during the same month.

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