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Janata Bank raises interest rate on deposits

Janata Bank has increased rates of interests on savings, short term and Fixed Deposit accounts, says a press release.

This has been done for boosting deposits and encouraging mobilisation of saving habits of the depositors.

The new rates have been fixed with effect from the February 1, 1996.

The now rates of interest on short term deposit is 5.50 per cent against the previous 5.00 per cent and on savings account is 6.50 per cent against the previous 5.50 per cent.

The refixed interest rates on various categories of Fixed Deposit (FD) accounts are: 7.25 per cent for the period of three months and above but less than six months 7.50 per cent for the period of six months and above but less than one years, 7.75 per cent for the period of one year and above but less than two year and 8.50 per cent for the period of two years and above but not above three years.

Minister urges smooth ferry services

State Minister for Shipping Shahjahan Siraj yesterday urged the authorities concerned to ensure smooth ferry services through Aricha and other ferry ghats so that people travelling to and from Dhaka and northern and southern region of the country do not suffer before and after the Eid-ul Fitr, reports BSS.

He was presiding over a review meeting of the Shipping Ministry held at the conference room of the ministry here.

The meeting was informed that all possible measures including maintenance of river channel, control of traffic and increase of ferry trips have been undertaken to ensure smooth ferry services. BIWTC ferried 2,411 vehicles yesterday through Aricha and only 58 vehicles were awaiting at Aricha this morning to cross the river. The state, Minister directed the officials concerned to ensure smooth functioning of the ports.

Shandong in China first province to have electricity at every home

BEIJING, Feb 19: Shandong in eastern China rang out the year of the pig in historic fashion on Sunday, becoming the first province in the country to bring electricity to every home, reports Reuter.

State television showed technicians stringing power cables in a remote mountain village, followed by a grizzled, toothless farmer switching on a light bulb above a portrait of the late Chairman Mao Zedong and some lunar New Year decorations.

All of Shandong's 87 million people in 22 million households now have electricity, making the province the first in China to reach the 100 per cent milestone, the broadcast said.

Shandong province, an industrial and agricultural giant, had power generating capacity of 12,340 megawatts at the end of 1995, ranking second in China Xinhua news agency said.

Sunday ended the year of the pig on China's traditional lunar calendar, while Monday heralds the year of the rat.

'Nigeria to press on with economic reforms'

LAGOS, Feb 19: Nigeria will press on with economic reforms launched in 1995 and with a controlled deregulation of the foreign exchange market, military ruler General Sani Abacha said in a budget speech yesterday, reports AFP.

He said Nigeria which derives more than 90 per cent of its revenue from oil, had based its budget for 1996 on a price of 16 dollars a barrel. Last year's budget was based on 15 dollars a barrel.

The official exchange rate of 22 naira for one US dollar will be retained exclusively for transactions made by the government, Abacha said. Other transactions will use the bank rate which is currently 85 naira to a dollar.

Banks are authorised to do business in hard currency but the central bank will intervene once a month to regulate the market.

Oil revenue for 1996 is estimated, on the basis of 22 naira to the dollar, at 214 billion naira (9.72 billion dollars).

Abacha said Nigeria's external debt amounted to 32.585 billion dollars at the end of December, compared to 29.429 billion dollars in 1994.

He said the increase was due to accumulated arrears and a depreciation of the dollar against other currencies.

Abacha also reaffirmed his intention to hand over to a democratically-elected president in 1998.

German minister meets Biswas

Bonn to extend socio-economic cooperation with Bangladesh

The visiting German Minister for Economic Cooperation and Development Carl-Dieter Spranger called on President Abdur Rahman Biswas at Bangabhaban yesterday, says BSS.

Welcoming Spranger, President Biswas said that Bangladesh highly valued German friendship and cooperation for socio-economic development of the country. He said that Germany had been very sympathetic to Bangladesh and rendered help and assistance including food and commodity assistance which helped acceleration of the country's development.

The visiting German minister said that because of friendly relations and cooperation, many good things emerged and his government wishes to extend greater cooperation for socio-economic development of Bangladesh. He appreciated economic development in Bangladesh during the recent years.

The President said that in view of the liberalisation of investment policy, Bangladesh has become an ideal place for foreign investment and hoped that the German investors would avail this opportunity.

In reply to a point raised by the German Minister, President Biswas said that the present situation will not affect the socio-economic development programmes and foreign policy of Bangladesh.

The German minister conveyed greetings of the federal government and the Chancellor to President Biswas. Reciprocating this, President Biswas conveyed his greetings to the President and the Chancellor of the Federal Republic of Germany.

Among others, secretary to the President Nooruddin Almasood, Secretary, Economic Relations Division, Lutfullahil Majid, Military Secretary to the President Major General Ruhul Alam Chowdhury and Charge d'Affaires of Germany in Bangladesh Ronald Grafe were present.

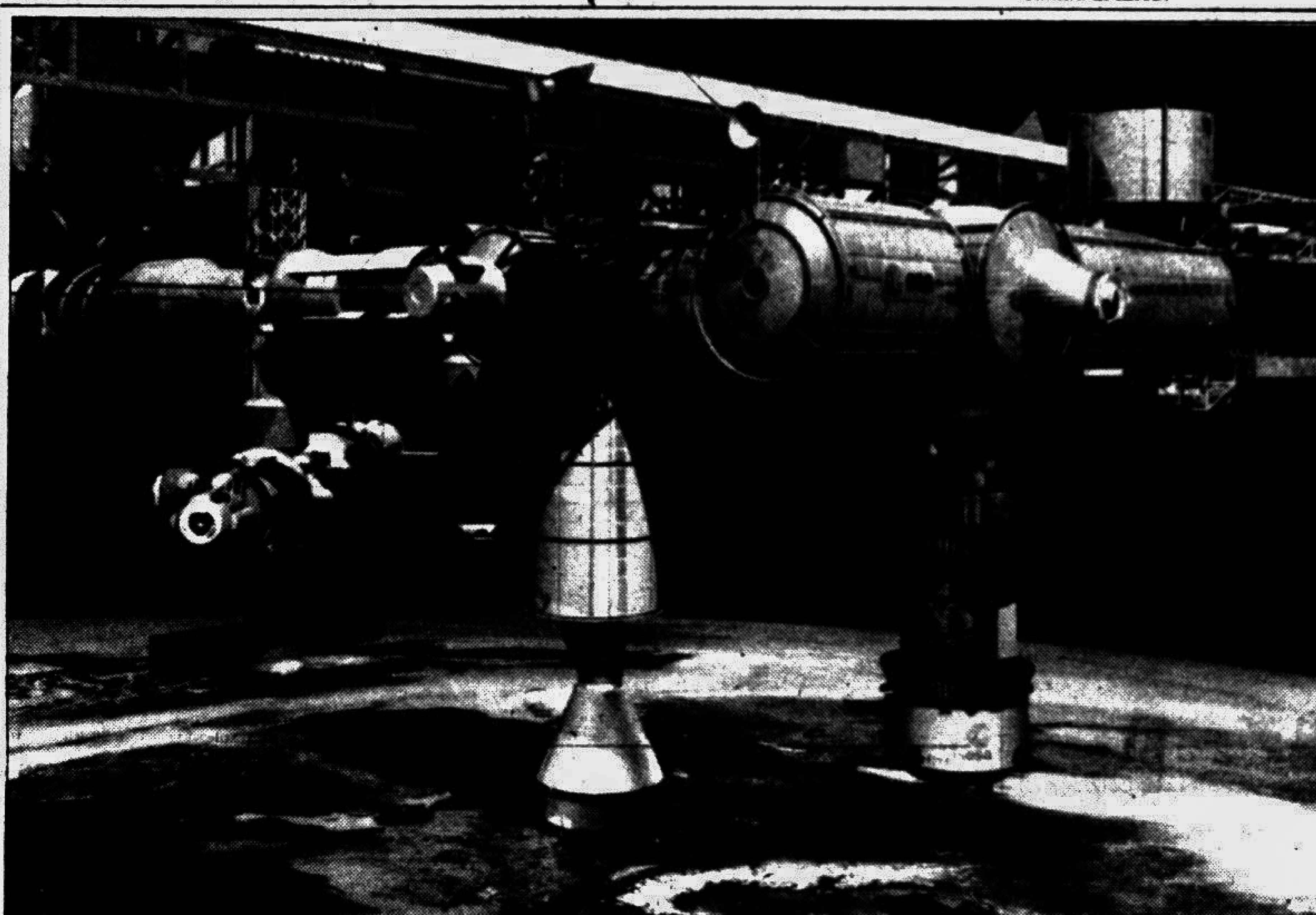
Discussion with FAP protesters

A press release of Like-Minded Environmental Activists Group (LMEAG) says: The German minister Carl-Dieter Spranger held a brief discussion with anti-FAP activists and NGOs at Tangail Circuit House on Sunday.

The minister reiterated that German government will not provide aid to any development projects which will not benefit the people. He also said funds will not be placed for projects which may change the agricultural pattern and livelihood of the rural people.

Minister Spranger strongly felt the need of the local knowledge and foreign expertise to be exchanged for scientific reasons.

The representative from FAP protest were Hamidul Huq UST, Zakir Hossain, President of Development Agencies in Tangail (DAT), Engr. Aminur Rahman, Khorshed Alam, UST, Baby of SATU and Saleem Samad LMEAG.



The picture shows the computer graphic of an international space station that will be built from the beginning of 1997. The space flights of the Germans ULF Merbold and Thomas Reiter this year serve the preparations. Besides Germany, the project participants are France and other European countries, the USA, Russia, Canada and Japan. -IN photo

UK-Bangladesh jt venture to open denim factory

R G Foster Textile Machinery Ltd, a leading UK supplier of new and reconditioned textile machinery, has announced the setting up of a joint venture to open a denim factory in Chittagong, says a press release.

The project, worth nine million US dollars (over Tk 36 crore), will cover all aspects of denim production from spinning, through indigo dyeing, weaving and finishing to make-up.

Roger Gregory, Managing Director of R G Foster made the announcement in London following the company's participation in the Department of Trade and Industry-sponsored trade mission to Bangladesh in November 1995. Gregory also took part in the British trade mission to Bangladesh in November 1994.

Gregory said that a site for the factory had already been identified which contained all the basic infrastructure needed.

R G Foster Ltd were established in 1975 with their head office, workshops and warehouse located in Derby, England, and sales offices in Pakistan, Holland, Italy and the USA. They have supplied machinery to more than 50 countries worldwide. For more than 10 years, they have been delivering machinery to some of the best-known textile companies in Bangladesh, making it the company's single most important market at present. They have had a team of installation and service engineers stationed in Dhaka and Chittagong for the past four years.

R G Foster have had previous experience in establishing a denim factory in the region. They own and run a successful plant in Pakistan.

Japan's trade surplus plunges in Jan

TOKYO, Feb 19: Japan's overall trade surplus in January fell a whopping 83 per cent from the same month last year, marking the seventh straight month of year-on-year decline, the government said, reports AP.

The ministry said Japan's overall merchandise trade surplus for January — measured as goods pass customs but before adjustment for seasonal factors — dropped to 467.08 million dollars, from 2.75 billion dollars the year before.

Japan's surplus with the United States, its biggest trading partner, fell 51 per cent in January from the year earlier month, the Finance Ministry said, marking the eighth straight month of year-on-year decline.

The politically sensitive trade surplus fell to 1.55 billion dollars in January from 3.19 billion dollars a year earlier.

January's trade surplus normally falls to a much lower level than in other months because Japan's long new year's holiday slows the country's production and export activities.

However, a Finance Ministry official told reporters that Japan's trade surplus is expected to continue shrinking, reflecting the rapid increase in imports. In volume terms, imports have continuously remained on an upturn for 2 1/2 years, he said.

The official, speaking on condition of anonymity, predicted that economic reform would continue to shrink the surplus.

The ministry's data showed that last month's overall trade surplus fell to the lowest level for the month of January since 1990, when the surplus stood at 319.37 million dollars.

Japan's imports have been expanding over the past 2 1/2 years, and growth in export volume has been slowing as the yen has strengthened.

That trend continued in January as growth in imports outpaced that in exports. The former rose 17 per cent while the latter grew 6.7 per cent.

A stronger yen makes Japanese goods more expensive overseas but encourages imports as foreign goods become cheaper.

The drop in January follows the first decline in five years in the country's overall trade surplus. The 1995 imbalance fell to 107.10 billion dollars from 120.86 billion dollars in 1994.

Japan's 1995 surplus with the United States stood at dlrs 45.56 billion dollars down 17 per cent from 54.90 billion dollars. That decline was also the first recorded since 1990.

The January drop announced Monday surprised the currency market, which had expected the surplus to increase in January, resulting in some downward pressure on the US currency.

Egypt will send trade team to Iraq

CAIRO, Feb 19: The Federation of Egyptian Industries will send a business delegation to Iraq in late February to lay the groundwork for a resumption of trade, reports AP.

Federation officials, who spoke on condition of anonymity, said Sunday that 31 Egyptian businessmen would make the trip to discuss exporting food, pharmaceuticals and other products as well as reopening a trade centre in the Iraqi capital Baghdad.

The trip comes as Iraqi officials negotiate with the United Nations in New York for limited oil sales to finance the purchase of necessities.

Iraq has been under sanctions since its 1990 invasion of Kuwait. Unable to sell its oil, Iraq has found it increasingly difficult to pay for food, medicine and other goods.

The UN Security Council has refused to lift the sanctions until it is convinced Iraq has complied with UN orders to dismantle its weapons of mass destruction.

Several Egptian business delegations visited Baghdad last year, but they reportedly were unable to conclude any deals because of questions about Iraq's ability to finance the purchases.

The visit will be February 28 to March 5, according to the federation, which represents thousands of Egyptian businessmen.

Egypt was a major trading partner with Iraq before the 1990-91 Gulf crisis, with bilateral trade valued at one billion dollars a year.

Iraq and the United Nations started negotiations February 6 on a UN offer to let Iraq sell one billion dollars of oil every 90 days to pay for much-needed food and medicine.

Some of the revenues also would be used to pay war reparations to Kuwait and to fund UN monitoring operations in Iran.

US gambling centre being set up

WASHINGTON, Feb 19: The US gambling industry, which some experts say depends on compulsive players for a sizable chunk of its profits, is creating the first national centre to study problem gambling, reports AP.

The National Center for Responsible Gaming, to be in Kansas City, Missouri, will not be an attempt to hide or explain away the problem, said American Gaming Association President Frank J. Fahrenkopf Jr.

"We do not want to make the mistake the tobacco industry made, saying, smoking is good for you," Fahrenkopf said in a recent interview.

The center will attempt to identify profiles of problem gamblers and recommend programmes for prevention, intervention and treatment.

At a time when legalised gambling is booming nationwide, there is some evidence that compulsive gamblers are a cornerstone of the industry's profits.

Research has indicated that up to half of the industry's revenues come from the 4 per cent who are problem gamblers, said Earl Grinols, a University of Illinois economist who has studied the issue.

"If you could prevent every problem gambler, the revenues would drop by one-third to one-half," Grinols said.

Tom Irwin, director of the Missouri Gaming Commission, said the industry would be foolish to deny the existence of problem gamblers, and is probably motivated more by a need to shore up its public image.

But, Irwin added: "We look at all of this with a fairly jaundiced eye."

US firms hiring illegal immigrants barred from federal contracts

WASHINGTON, Feb 19: President Clinton has signed an executive order that prohibits, for one year, federal contracts for businesses that knowingly hire illegal immigrants, according to USIS.

In a statement accompanying the order announced February 13, Clinton said that while the United States is deporting record numbers of criminals and other deportable aliens, "this will not stem the tide of illegal immigration if we do not reduce the job magnet that draws illegal immigrants to this country."

The president pointed out that it is against the law for employers to hire workers who are illegal immigrants, adding that the executive order will for the first time subject those companies to government-wide debarment.

Under current law, employers who knowingly hire illegal workers can be fined and are subject to criminal penalties for series repeat violations. Now these employers will face the new sanction of debarment — a powerful deterrent for any company that currently is doing business with, or seeks to do business with, the federal government. The debarment is generally for one year and is subject to renewal.

The order will apply to thousands of vendors who currently provide services to the government that include construction, landscaping, operating cafeterias and cleaning of office buildings.

The order is part of an overall immigration strategy that includes a 50 per cent increase in border patrol agents and new technology to stop illegal crossings, and the allocation of more money to detain and deport illegal immigrants with criminal records.

The order also prohibits employers from using the threat of sanctions as a reason to discriminate against employees or job applicants on the basis of national origin or race. The order makes clear that employers must review the work authorisation documents of all applicants, not just those who appear to be foreign born.

Officials emphasise that the order applies to business that knowingly hire illegal workers, and does not apply to employers who violate minor technical provisions of the law, such as paperwork requirements, or to employers who, in good faith, reviewed documents that appeared to be genuine but were later found to be fraudulent.

The Immigration and Naturalisation Service (INS) is working to combat counterfeit documents through the development of a tamper-resistant employment authorisation document and other INS-issued identification cards, and a crack down on fraudulent document rings.

The INS signed up over 200 employers to participate in a pilot verification information system last year, and this year the programme was expanded to 1,000 employers.

Clinton advisers reject 'new trade theory' approach

WASHINGTON, Feb 19: President Clinton's chief economic advisers are sending a strong message that some of the protectionist trade policies urged by certain Republican presidential hopefuls would be dangerous to the US economy, according to a USIS release.

The president's Council of Economic Advisers (CEA), in its annual report released February 14, makes clear that economic models providing theoretical justification for trade protectionism, collectively referred to as the "new trade theory", fail to take into account retaliatory damage that may result from closing US markets to foreign goods.

CEA Chairman Joseph Stiglitz, in remarks following release of the report, said that the Clinton administration will continue to pursue an open trade policy of "competing not retreating."

He said that "not a single reputable economist would subscribe to the kinds of theories" being espoused by conservative Republican presidential hopeful Patrick Buchanan. Buchanan has called for the United States to pull out of the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO).

The "new trade theory", according to the CEA report, assumes that under the right conditions, temporary protection can secure a permanent advantage for a domestic industry by discouraging foreign producers from entering the market.

However, the report said that "if all countries adopt protectionist policies in the hope of making their national champion the global monopolist, the costs will be even higher than in the absence of increasing returns."

An even greater problem with the new trade theory, says the report, is its assumption that officials are able to target only those industries and firms that could best take advantage of limited protectionist policies.

The CEA said that selection would be complicated by political pressures from special interests, which are likely to exaggerate the positive spillovers their industries contribute to the US economy.

GCC economies perform better in '95

ABU DHABI, Feb 19: The economies of six Gulf Arab states performed better in 1995 due to an increase in oil prices and a surge in the private sector in some members, according to officials figures, reports AFP.

Independent estimates had projected a growth of around 2.1 per cent in the combined gross domestic product of the Gulf Cooperation Council (GCC) but growth rates exceeded that level in real terms in most members.

Figures released by GCC governments and other official Arab institutions showed the GDP of three GCC countries grew by more than four per cent while rates in the remaining members averaged around 2.5 per cent.

Saudi Arabia, the world's leading oil producer and exporter, has reported its GDP grew by 4.3 per cent, nearly tripple the 1994 rate. It has also projected positive growth in 1996 albeit lower than in 1995.

The kingdom's economy, which accounts for nearly a quarter of the total GDP of the 22-member Arab League, is heavily dependent on oil given its limited industrial and farm exports compared with crude sales.

Announcing its sixth development plan last year, Riyadh said it targeted an annual growth rate of 3.8 per cent despite relatively low state spending and expectations oil prices will not see any major increases.

The United Arab Emirates (UAE), which has the second largest economy in the GCC, also benefited from the oil prices rise in 1995, with its GDP surging by 6.5 per cent, according to the state-run Emirates industrial bank.

But the non-oil sector was also a key factor in the high growth, with most of its components soaring by between five and 12 per cent in 1995.

'96 may be better year for South-East Asian economies

SINGAPORE, Feb 19: Domestic concerns will prevent interest rates from trending down in key South-East Asian economies, but 1996 could be a better year than 1995 for emerging markets, a report obtained here yesterday predicted, according to AFP.

Investment house MMS International's bond and currency outlook report saw signs of a tight monetary bias in Malaysia, Thailand and Indonesia as they try to check high current-account deficits.

In Singapore, firm credit demand underpinned by manufacturing and housing loans and the possibility of fuelling asset inflation could prevent a lowering of interest rates, it said.

For Malaysia, MMS International predicted a moderation of economic growth to 8.3 to 8.8 per cent from an estimated 9.6 per cent last year.

"Despite the slowdown, the twin problems of widening current account deficit and rising inflation will continue this year," it said.

The Malaysian government's unwillingness to slow down the infrastructure programme, a big contributor to the deficit," suggests that there is little scope for the deficit to narrow significantly this year."

"Bank Negara is expected to maintain a tight monetary bias," but the pace of tightening will not be aggressive given the prospect of rate cuts in the United States and Europe and fears of "hot money" inflow, MMS International said.

The research house said concerns about the current account shortfall could push the Malaysian ringgit down against the US dollar to "retest the 2.6000 level" although a sustained stock rally could see the currency gain ground.

"It will not be a smooth ride, and we expect to see intermittent bouts of ringgit weakness," the report said.

Thailand's economy was tipped to grow 8.5 per cent this year after posting 8.7 per cent in 1995, and its worries over the current account deficit "are unlikely to go away," it said.

It expected the Thai inflation rate to stay above the 5.3 per cent level for at least the first six months.

"This would force the Bank of Thailand to adopt a tight monetary bias during the period," the report said.

The Thai baht was forecast to firm marginally, and spend the year trading between the 24.80-25.40 level against the greenback.

MMS International said Indonesia's GDP growth would slow marginally to 7.3 per cent from an estimated 7.4 per cent last year "on the back of Bank Indonesia's tight monetary policy."

Indonesia's expansionary 1996-97 budget would prevent the tight stance from changing, and interest rates should stay high to curb loan growth, particularly in the real-estate sector, it said.

The Indonesian rupiah was tipped to depreciate to the 2,405 level by the end of 1996 against the US dollar as a result of Bank Indonesia efforts to keep exports competitive.

Singapore's economy was forecast to grow 8.1 per cent in 1996 on top of 8.9 per cent last year.

World gold demand may consolidate this year

SINGAPORE, Feb 19: Gold demand is expected to consolidate this year after hitting an all-time high of 2,746 tonnes in 1995 on the back of a surge in consumption by key Asian markets and a recovery in the Middle East, Reports AFP.

The World Gold Council described 1995 as a banner year as demand outpaced the previous record, set in 1992 by 7.6 per cent and demonstrated the basic attraction of the metal as a safe asset that is "nobody's liability."

In a report received here on the weekend, the council said 1995 demand for gold in the developing - country markets led by India, at 1,768 tonnes, was 9.8 per cent above the 1994 level.

In developed countries led by Japan and the United States, gold consumption rose by 11 per cent to 976 tonnes.

The rise came despite a softening of demand in the last three months of the year which signalled a consolidation in key markets as the gold price moves upward.

The Swiss-based council said in its quarterly report, gold demand trends, that it did not look for a repeat of the high growth rates in 1996 as demand for the yellow metal, dependent on income growth, settles down.

But, it said: "Demand, if only consolidating at the levels already reached, would continue to provide a strong fundamental base of the gold market."

Asian markets led by India, where gold is seen as a hedge against currency depreciation, played a key role in propelling global consumption to a new high.

India reinforced its position as the largest single-country market for gold with its instable demand for the metal rising 14 per cent to a record annual level of 747 tonnes, the council said.

Surging investment demand in time of financial uncertainty pushed Japan's gold demand to 289 tonnes, 26 per cent higher than in 1994 and the highest level since the late 1980s.

South Korea and Southeast Asia together registered record gold demand of 409.7 tonnes, up nine per cent on 1994.

Toshiba sharpens focus on Asia

TOKYO, Feb 19: Location, location, location is the real-estate slogan that has become a rule of thumb for Japan's Toshiba Corp as it sharpens its focus on Asia into the next century.

Yasuo Morimoto, Toshiba's corporate representative for Asia, reckons that without the right location now profits from a coming consumer electronics boom will be forfeited.

"We see Asia as the market," Morimoto told AFP in a recent interview, "and one of our first priorities is ASEAN." Morimoto said the Association of South-east Asian Nations is attractive.

Toshiba has had a long presence in Singapore, where it began manufacturing televisions in 1979, and in neighbouring Malaysia, has been steadily investing in Thailand.

As an indication of its earnestness, Toshiba announced at the end of January it was moving the global headquarters for its video cassette recorder (VCR) production at Singapore and with its responsibility for that business line.

Earlier that month, it set up in the city state Toshiba capital (Asia) Ltd to handle its financial operations in the Asia Pacific region