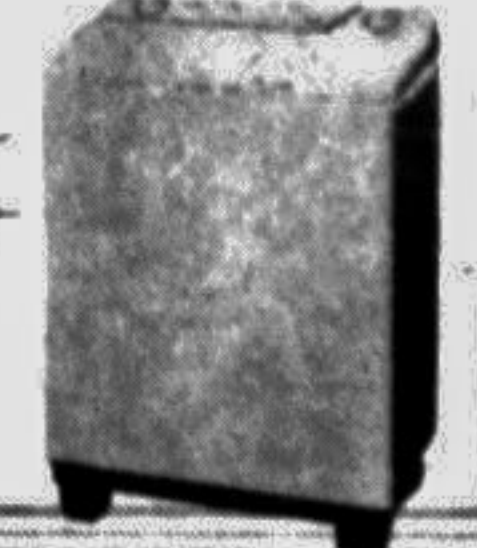



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Good demand marks Ctg tea auction

CHITTAGONG, June 26: The weekly tea sale held here yesterday was marked by good demand for all grades of teas but with prices declining in most cases, market sources said, reports BSS.

Poland, Sudan, Jordan and Russia were active at the sale while Pakistan and Afghanistan lent limited support.

Internal buyers lent fairly good support with blenders continuing to operate for bright liquoring types.

Bold brokers were a good market but were slightly easier

shedding by poisha 50 to a taka over last. Larger brokers were a good market and declined by upto 50 poisha per kg, medium brokers were an irregular market, smaller brokers were generally easier up to taka one but good liquoring types were mostly lower by 50 poisha following competition. Popular types followed a similar trend and were sold between Taka 49/50 and Taka 53/10 per kg.

There was a fair demand for all fannings but declined upto Taka one with the few good

liquoring types generally upto 50 poisha easier, popular types met with a fairly good market and sold between Taka 49/50 and Taka 52/70 per kg.

A total of 2,629 chests 894 gunny sacks and 64 bags of dust on offer met with a good demand. All good liquoring popular types met with good competition. Others generally eased by poisha 50 per kg while powdery types declined further.

There were 22,751 and 829 gunny sacks of teas on offer.

Govt hatchery in Madaripur yet to start functioning

MADARIPUR, June 26: The district's only government hatchery for ensuring adequate supply of fish fry to meet the local demand is yet to start functioning even after a decade, reports UNB.

By spending over Taka three lakh, Fisheries Department constructed the hatchery at Mostokpur in Sadar thana in fiscal 1983-84.

It could not be put into operation during the 12-13 year period. The hatchery house including some other necessary equipment, being damaged due to lack of care and maintenance.

There are 10 ponds in the hatchery which was built on some 25 bighas of land. Despite plans more ponds could not be dug due to lack of fund, official sources said.

District Fisheries Department submitted to the authorities concerned a project of Taka 33 lakh for modernisation of the hatchery. The project will also include setting up of one shrimp hatchery.

Interested fish cultivators of the area appealed to the authorities concerned to modernise the only hatchery in the district to boost fish production.

B'baria Poura budget announced

BRAHMANBARIA, June 26: Brahmanbaria Pourasava today announced a Taka 14.96 crore budget with a surplus of Taka 26.65 lakh for the coming fiscal year (1996-97), reports UNB.

Chairman of the pourasava Al Mamun Sarker announced the budget at its office in presence of local elite, journalists and ward commissioners in the morning.

He said the budget money will come from the pourasava's own resources and government allocation while Taka 14.71 crore will be spent for road construction, establishment of a modern market and improvement of drinking water supply.

France denies report on slashing aid to Algeria

PARIS, June 26: France plans to cut drastically financial aid to Algeria while increasing aid to neighbouring Morocco and Tunisia, a major French daily newspaper reported Tuesday, according to AP.

Le Monde quoted "inside sources" as saying that France would cut aid to its former colony currently around six billion franc (1.2 billion dollars) in half to three billion (600 million dollars).

The French Foreign Ministry denied the report late Tuesday, calling it "disinformation."

Le Monde's report "has no basis," the ministry said in a statement. Budget cuts will be spread out, and "Algeria should be no exception, nor will it be treated disadvantageously as Le Monde makes out," the ministry said.

To say that France is penalising Algeria is disinformation, the statement said.

A cut in aid of such a dimension would mark a shift in France's stance toward troubled Algeria, away from maintaining influence at all cost, and toward financially pressuring the country to democratize.

Ukraine extends deadline for privatisation vouchers

KIEV, June 26: The government decided Monday to extend the deadline for claiming vouchers that can be exchanged for shares in state enterprises that are being sold off, says AP.

About 15 million people haven't picked up their free privatisation vouchers yet, and officials said Monday the deadline has been extended from June 30 to Oct. 1.

In recent weeks, with the deadline looming, thousands of people began flocking to state banks to claim vouchers. Officials said local branches of the state bank have opened 9,000 extra windows to cope with the crush.

Vouchers have been available since January 1995, but confusion over the privatization process plagued this former Soviet republic. The government recently launched a massive campaign to explain the vouchers system to the public.

The vouchers can be redeemed for shares in state enterprises that are being put into private hands until the end of the year.

Ukraine has privatized more than 30,300 small businesses since 1992 and 7,500 of its 11,000 medium and large-scale state enterprises.

MCCI chief urges govt to resume stalled reform programmes

Metropolitan Chamber of Commerce and Industry (MCCI) has urged the new Awami League government to immediately resume and intensify the stalled reform programmes to give a fresh impetus to the economy, reports UNB.

In an interview with UNB on Tuesday, MCCI President Samson H Chowdhury stressed that the government should carry forward privatisation and do away with administrative and procedural bottlenecks.

He said all efforts should be made to ensure that the GDP attains a growth rate of at least six per cent and the export sector provided with infrastructural and fiscal facilities to help it grow at a minimum 20 per cent.

Chowdhury cautioned against any further rise in current expenditures which might affect implementation of the Annual Development Programme (ADP).

The president of MCCI, which represents the country's organised manufacturing sector, expressed his confidence in the policies and priorities of the new government except the subsidy to agriculture.

He particularly appreciated the government's intention to run the country on the basis of national consensus.

Excerpts of the interview follow:

QUESTION: What is the comment of Metropolitan Chamber of Commerce and Industry about the election results?

SAMSON H CHOWDHURY (SHC): Our Chamber believes that the election of 1996 helped a lot in building up the image of Bangladesh abroad. Bangladesh has proved to the world that election can be

free, fair and peaceful in a Third World country. This is why we are happy with the polls result. We congratulate the Prime Minister that her party, Awami League, has emerged victorious.

The role of caretaker government is highly appreciable and the provision of caretaker government in the constitution is well-thought of.

Q: Will the election results in any way affect policy continuation?

SHC: Surely not. In fact, in the democratic system people are the supreme source of power. Changes should come as per the will of the people. This is the true lesson of democracy. Those believing in democracy, including business and industry, must have to abide by this truth. We repeatedly emphasising on continuation of democratic process and to give it an institutional shape. Changes in government occurred whenever the people felt the need of a change in the interest of continuity of democracy. Development policies or development should not be obstructed by such changes.

Q: How does MCCI view economic philosophy of the new government?

SHC: Before the election, we (MCCI) had discussed economic issues with the Awami League chief, who is now the Prime Minister of the country. The post-election speech of the Prime Minister on the present government's policies and priorities has undoubtedly generated hope. She has emphasised on running the country through national consensus and pledged a transparent and accountable government and administration. She has also called upon all political par-

ties, both winners and losers, to contribute in consolidating democracy. And above all, she has vowed to free the country from arms and violence on priority basis. These are very significant for economic development. On the other hand, she has given commitment to bring bills to ensure independence of judiciary. The establishment of rule of law is very urgent in building a society free from corruption and terrorism. The entrepreneurs from home and abroad will be waiting eagerly to see the fulfilment of this commitment.

In fact, we have already congratulated the Awami League's policies on commerce and industry. Now we hope the government would fix up its policies and priorities immediately on different other issues. It is urgent to expand industrialisation within the shortest possible time. Entrepreneurs came forward in countries where the governments took appropriate policies and gave proper leadership. On the other hand, economy was hit in countries like ours due to short-sighted policies and mismanagement. We are optimistic, the new government, especially the Prime Minister, will give serious thought to the matter. Pledges to continue the privatisation process in the industrial sector, reduce government control and, above all, support to free market economy are very significant decisions of the new government.

In this context, it is urgent to say that the commitment to give subsidy in the agriculture sector is contrary to market economy. There is no question that farmers are deprived. But whether subsidy can remove the plight is a matter which

needs to be reviewed. In fact, fair price of agricultural products and smooth supply of fertilizer, seed, diesel and other inputs through a corruption-free system is more important than subsidy itself.

Q: The role of democracy is very powerful in the economic development. What is your comment?

SHC: Democracy means recognition of human rights. Without establishing people's rights, no activity, including the economy, can sustain for long.

Our Chamber has long been demanding to strengthen the role of people's representatives in the economy by making the parliamentary committees more effective. We hope the Jatiya Sangsad will be the focal point of resolving all problems.

Q: How do you see the role of Bangladesh Nationalist Party (BNP) as an opposition party?

SHC: Its 116 seats certainly prove a huge mass support. In the past, no opposition political party had such huge seats in the Jatiya Sangsad. We hope the BNP will play a constructive role in the Jatiya Sangsad. Their decision on the formation of shadow cabinet is a welcome sign.

Q: Politics and economy are inter-related. What does the MCCI expect about maintaining a healthy political atmosphere?

SHC: Awami League's birth was through a democratic struggle. So everybody expects the democratic values to be reflected in the new government's political activity and in running the government. Side by side, we firmly believe the BNP which has contributed in re-establishing democracy would also play a constructive role.

Agrani Bank awards FSRP consultants

A Q Siddiqui, Managing Director of Agrani Bank, awarded FSRP consultants the Crest of Agrani Bank at a farewell function, says a bank press release.

The farewell was accorded to the consultants Patrick J Vath, Anthony Barned and Omar Choudhury.

All the general managers of the bank attended the function.

A Q Siddiqui acknowledged the contribution of the consultants and assured that Agrani Bank will continue the reform measures of FSRP to ensure future survival and growth.

FSRP team leader Vath in his speech termed Agrani Bank the leader of reform, and appreciated the commitment and cooperation of the bank management to bring changes and institutionalise FSRP tools.



A Q Siddiqui, Managing Director, Agrani Bank, awarding crest of Agrani Bank to the international FSRP consultant P. J. Vath at a farewell ceremony arranged in honour of members of the FSRP unit.

Tk 5cr budget for 1996-97 announced for Rangamati Hill Dist.

From CHT Correspondent

RANGAMATI, June 26: Taka five crore budget for the Rangamati Hill District Local Government Council was announced on Saturday, June 22 last for the 1996-97 fiscal.

Rabindra Lal Chakma, the Chairman of the council announced the budget of Tk 5 crore at a session held at the conference room of the council Saturday.

The thana-wise allocation of the budget was made as Baghaichhari-12 per cent, Lagnadu-11 per cent, Kauhali-10 per cent, Kaptali-10 per cent, Rangamati-9 per cent, Municipality-9 per cent, Naniarchor-8 per cent, Brokal-7 per cent, Belachhari-7 per cent, Zurachhari-6 per cent, Rajasthani-6 per cent and Miscellaneous-5 per cent.

Twenty councillors along with Tuangawingura and all heads of government institutions transferred to the council were among others who attended the budget session, chaired by the Chairman Rabindra Lal Chakma.

Earlier, a Tk 6.5 crore budget for Khagrachhari Hill District Local Government Council was announced on Wednesday last, June 19 for the 1996-97 fiscal.

Council member Arun Chandra Singha announced the budget of Tk 6,50,98,000 at a session held at the conference room of the council on June 19 morning. Presided over by council Chairman Samiran Dewan, the budget session was attended among others by the chief Executive Officer, departmental heads and members of the council.

Massachusetts enacts first state ban on Myanmar business

BOSTON, June 26: Massachusetts has become the first US state to prohibit its bureaucracy from buying goods or services from companies doing business in Myanmar, reports AP.

Govt William Weld signed the ban into law Tuesday. The largely symbolic act is designed to spotlight oppression in the Asian nation, which is run by a military junta widely criticised for human rights violations.

"We are well aware that one law passed by one state will not end the suffering and oppression for the people of Myanmar, Weld said.

"But it is my hope that other states and the Congress in Washington will follow our example and make a stand for the cause of freedom and democracy around the world."

The ban applies to all companies that do business with the government of Myanmar business within the country's borders, which supporters say include such giants as Apple Computer and Pepsi Cola.

Massachusetts, however, does no more than several million dollars of business a year with those companies.

Indian customs imposing countervailing duties on Bangladeshi products

By Staff Correspondent

The Indian customs authorities are reportedly imposing countervailing duties on some Bangladeshi products to discourage their entry.

City traders said the customs authorities had imposed 20 per cent countervailing duty on top of normal 50 per cent duty on an engineering product exported in April this year.

"Such measures are taken to make our products costly to the Indian market, so that they are not imported," said a businessman in the city. This will further tilt the trade balance between the two countries against us.

Meanwhile, business circle here viewed the above steps of the Indian customs as contradicting all efforts envisaged in SAPTA to promote regional trade.

A spokesperson for the local company said, "Our government should seriously take up the matter with concerned Indian authorities and inform them that such unfair trade practice is not acceptable."

He also pointed out that SAARC member countries like India must offer positive and meaningful tariff concessions to neighbouring countries for SAPTA to be meaningful.

Barings scandal

'Colleagues conspire to hide losses run by Leeson'

LONDON, June 26: Executives at Barings merchant bank "knowingly or unknowingly conspired to hide crippling losses run up by rogue trader Nick Leeson, the former head of derivatives trading at Barings, Ron Baker, told parliament on Monday, reports AFP.

Baker, who is the first executive from Britain's oldest merchant bank to make public accusations against former colleagues, said that he had been unfairly blamed for failing to uncover fraud which cost the bank 1.2 billion dollars.

He told the House of Commons treasury committee that "Barings securities' senior management, either knowingly or unknowingly, conspired with the fraudster to cover things up."

He told members of the parliamentary committee that he had been appointed as head of derivatives at the bank too late to uncover this problem from a situation of inherited organisational chaos.

The failure of his predecessors in uncovering the losses run up by Leeson, which brought Barings bank to the verge of collapse when the fraudulent deals were uncovered in February 1995 "seems to me to break all financial and commercial principles", Baker alleged.

He alleged that James Bax, the former head of Barings in South East Asia, knew that Leeson, who incurred and concealed losses in derivatives deals made from Singapore, had forged a document one month before the fraud was unveiled.

Baker is appealing against a three-year ban by the securities and futures authority regulator from working in the financial world of the city of London.

Last week, the Singapore commercial affairs department decided not to charge Peter Norris, the former chief executive at the bank, Bax and Barings' former operations manager in Singapore, Simon Jones, with any wrong doing.

Rogue trader Nick Leeson was sentenced to a six and a half years in prison for trading

improperly and trying to conceal losses of 1.2 billion dollars in derivatives trades there.

Despite the crushing losses, Barings was rescued from insolvency in March 1995 when the Dutch Ing bank bought it for a nominal payment of one pound (1.5 dollars).

Barings was one of the oldest pillars of the financial system in London. Queen Elizabeth had been one of its clients, and the manner of the collapse was a severe shock to the old city establishment.

'US impeding implementation of deal with UN'

BAGHDAD, June 26: The United States is impeding the immediate implementation of the oil-for-food deal Iraq has signed with the UN, Iraq's Deputy Prime Minister Tariq Aziz said in an interview made available today, reports Reuters.

Aziz, speaking to the Swedish Network Formula Broadcast Ltd in Baghdad on Monday, said the issue of selling Iraqi oil and purchasing badly-needed food and medicine for Iraqis suffering under six years of UN trade sanctions had not been solved yet.

"We are still facing problems in the committee of sanctions... the Americans are putting a lot of difficulties in the course of the implementation (of the pact)," Aziz said.

Iraq and the United Nations reached an agreement on May 20, permitting Baghdad to sell two billion dollars worth of oil every six months to raise money to buy humanitarian goods to its people.

The sanctions were imposed on Baghdad after it invaded Kuwait in 1990.

The security council's sanctions committee, which consists of representatives of the 15 members of the council, has to complete regulations on how Iraq will sell the oil and buy the humanitarian goods.

Asian farmers use insecticides banned elsewhere?

MANILA, June 26: Asia's rice farmers use too much insecticide and spray, as well as some chemicals that are extremely dangerous and banned elsewhere in the world, the International Rice Research Institute (IRRI) said today, reports AFP.

"A huge gap currently exists between what farmers know and what they need to know to make good decisions in pest management, IRRI said in a statement.

The internationally funded research agency, based in the town of Los Banos south of

here, said they had found that 80 per cent of insecticide spray in the Philippines was used for the wrong pests and applied at the wrong time. IRRI also said that research in the Thai provinces of Chaint and Lop Buri found that 76 of the farmers sprayed in the first four weeks after planting when such sprays are unnecessary.

Agricultural experts, who met at an IRRI sponsored conference in Bangkok last week, also found that rice farmers were still using highly toxic chemicals such as methyl parathion and monocrotophos,

which the World Health Organization (WHO) has classified as highly hazardous.

These chemicals have already been banned by the United States, Japan and European Countries IRRI said.

IRRI also said that rice farmers often directed their sprays at highly visible insects that feed on leaves in the belief that they are behind the large losses in rice yields.

This belief had made farmers more vulnerable to misuse of insecticide, IRRI said, adding that rice crops usually recover quickly from damage to their foliage.



Yoshikazu Kaneko, the Japanese Ambassador in Bangladesh, speaking at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry held at the Sonargaon Pan Pacific Hotel on Tuesday. Seated on his left are President of the Chamber Mahubul Jamil and Chamber Secretary Jahangir Bin Alam.

Sumitomo trader's whereabouts remain a mystery

TOKYO, June 26: Japanese authorities refused to comment yesterday on a report that they were holding the former chief copper trader at Sumitomo Corp. who allegedly lost 1.8 billion dollars in unauthorised trading over 10 years, reports AFP.

If he was being held, we wouldn't announce such a move as it would be related to the investigation, a spokesman for the Tokyo Metropolitan Police Department said, referring to the report in the Times of London.

A spokesman for the national police agency said: It doesn't seem like Japanese investigation authorities have taken any action on this case.

The Times reported earlier this month an enquiry into irregular trading by Sumitomo on the London Metal Exchange (LME), said last week it was considering sending investigators to Japan this week.

The British probe is being undertaken with city of London police at the request of Britain's main regulator, the Securities and Investment Board.

US investigators are also expected to arrive in Japan this week as the Commodity and Futures Trading Commission (CFTC) broadens its investigation, according to Japanese reports from New York and Washington over the weekend.

The New York Times meanwhile reported Monday that police in Vermont had opened an investigation into the 1991 death of a copper trader to determine if it had any links with the unauthorised trading scandal at Sumitomo.

Mr. five per cent after Sumitomo's estimated share of the world copper market.

Both the Tokyo police department and the national police agency have refused to comment on whether Hamanaka is being investigated in Japan or even whether they are cooperating with British investigators.

Britain's serious fraud office, which announced earlier this month an enquiry into irregular trading by Sumitomo on the London Metal Exchange (LME), said last week it was considering sending investigators to Japan this week.

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Citing a Vermont state police spokesman, the news paper said that trader Paul Scully died in a fire, which was ruled an accident, after he raised concerns about the trading practices of Hamanaka.

Japanese news agency Jiji press, quoting an informed source in Washington, meanwhile reported Tuesday that CFTC officials had questioned Hamanaka about irregular price swings for two days in April, apparently in New York.

If confirmed, the reported interrogation would have taken place just after the alleged discovery of a suspicious bank statement by Sumitomo and just before Hamanaka was relieved of his copper trading duties and transferred.

Jiji quoted the source as saying that the CFTC was probing whether there had been any manipulation of copper prices on the London Metal Exchange and the New York Mercantile Exchange and whether Hamanaka had violated US laws.

Acting CFTC Chairman John Tull meanwhile praised Sumitomo executives who were aware of the unauthorised trading. Tull reportedly said he believed Sumitomo's account that only one person conspired with Hamanaka.

Japan to accept talks at WTO to resolve film dispute with US

TOKYO, June 26: Japan will accept talks at the World Trade Organisation (WTO) to resolve its photo film dispute with the United States, the trade ministry said today, reports AFP.

But the international Trade and Industry Ministry said Japan would check details of the US complaint before agreeing to talks "on accusations of 'restrictive commercial practices'."

The United States went to the world trade supervisory body this month, accusing Japan of closing distribution channels to foreign photo equipment suppliers. It said Japan had restricted foreign use of incentives and access to retail outlets.

The move capped an 11 month investigation after complaints by Eastman Kodak Co. that it had been unfairly hampered in efforts to compete in Japan with Fuji Photo Film Co. Ltd.

Other areas named by the United States for talks included the large retail stores law which regulates the supermarket opening. The law has been criticised as a barrier to foreign access to Japan's market.

Taiwan-EU to hold confce on industrial cooperation

TAIPEI, June 26: Taiwan will hold its first conference with the European Union (EU) on industrial cooperation in Taipei Monday, economic officials said, reports AFP.

The officials said that Martin Bangemann, an EU Commissioner, will lead a high-powered delegation with representatives from 15 European business groups including Germany's Mercedes-Benz AG, Dassault Aviation of France and DSM NV of Netherlands.

Bangemann and Taiwan Economic Minister Wang Chih-Kang is to inaugurate the conference, the highest-level yet between the EU and Taiwanese officials.

The conference, which will involve Taiwan's China Steel Corp. and 15 business groups here, will help the island further develop bilateral economic and trade relations with the 15 member countries of the EU, the officials added.

Taiwan hopes to reach agreements with European consortiums on cooperation in the fields of aviation, telecommunications, precision mechanics and other advanced technology.

The EU has in the past had a conservative attitude in negotiating with diplomatically isolated Taiwan, although the community has held economic and trade conferences with the island in third countries since 1981.