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### Bank holiday

The Bangladesh Bank and all scheduled banks will remain closed on Thursday on account of holiday for National Mourning Day, reports BB press release.

### Tk 8cr Swiss grant for 'rural poverty alleviation project'

Bangladesh will receive 2.63 million Swiss Franc equivalent to Tk 8.15 crore in grant assistance from Switzerland for a rural poverty-alleviation project, reports UNB.

An agreement was signed here yesterday for the grant for financing the technical project titled 'establishment of Village-based Institutions for Socio-Economic Development'.

Joint Secretary of the Economic Relations Division (ERD) Abu Saleh and Counselor of Swiss Embassy in Dhaka Philippe Besson signed the accord on behalf of the respective governments.

The main objective of the project is to sustain the improvement in socio-economic condition of villages by establishing village-based institutions and utilizing local resources, ensuring gender-balanced development and experimenting new approaches for poverty alleviation.

The social Services Department of the Ministry of Social Welfare will implement the project.

### Iran, Turkey sign \$20b gas deal

TEHRAN, Aug 12: Iran and Turkey today signed a multi-billion dollar gas supply agreement, says Reuters.

The deal comes a week after US President Bill Clinton signed the Iran-Libya sanctions act which gives him power to penalise non-US firms that invest 40 million US dollar or more a year in the two states' oil and natural gas sectors.

The deal was signed in the sumptuous surrendering of the Saad Abad Palace in north Tehran by Iranian Oil Minister Gholamreza Aghazadeh and Turkish Energy Minister Recai Kutan.

Turkish Prime Minister Necmettin Erbakan is currently on a visit to Iran where he has met the country's top leaders.

No immediate details of the Agreement were available. Under an initial agreement drawn up by the two states Turkey would begin receiving two billion cubic metres of Iranian gas from late 1998 after building a pipeline. The amount was to be raised to 10 billion cubic metres by 2002.

The whole deal has been valued at some 20 billion dollar.

### SBC MD off to Bangkok

The Managing Director of Sadharan Bima Corporation (SBC), M.M. Murshid, has gone to Bangkok, says a corporation press release.

Murshid who is the Chairman of the Asian Re-Insurance Corporation will attend the annual regular session of the council of members of the corporation.

### New US textile rule to hamper trade with China

BEIJING, Aug 12: Moves by the United States to apply new country-of-origin standards to textile imports will seriously hamper the future growth of the Sino-US textile trade, a senior Chinese government official was quoted as saying, reports AP.

Washington on July 1 implemented a new rule to define the production origin of textile imports on the basis of assembly, rather than cutting, the official China Daily paper said Sunday.

Under the rule, Chinese textile and garment exports that are cut in third countries and then exported to the United States will be counted under China's textile quota. Previously, exports were figured under the quotas of the third nations that processed the goods.

"The new regulation will have a negative influence on the world's textile-trade order, and will not only do harm to exporters, but also to importers, retailers, and even manufacturers of the importing countries," said Shi Miaomiao, an official with the Ministry of Foreign Trade and Economic Co-operation.

Shi was quoted as saying the new rules would hurt the interests of both exporters and importers, and runs "counter to the spirit" of previous international agreements.

The Philippines has filed a complaint with the World Trade Organization protesting the regulation, the paper said.

### Govt yet to take decision

## Scientists hopeful of Rooppur N Power Project implementation

By Govinda Shil

The nuclear scientists of Bangladesh Atomic Energy Commission (BAEC) are hopeful about the implementation of the proposed Rooppur Nuclear Power Project (RNPP). Expressing this expectation, BAEC Chairman M A Qaiyum said, "We suggest that the government should execute at least a 500-MW nuclear plant considering the total demand of electricity in the country."

A section of BAEC officials said the proposed project could have been implemented earlier if the political leaders would have shown strong will towards this project.

BAEC chairman said the commission is keeping the authorities apprised of the necessity of nuclear energy in an acute energy-deficit country like Bangladesh.

The Energy and Mineral Resources Minister Lt. General

Nooruddin has said the government is yet to take a decision about the project.

The proposed RNPP which was accepted in 1961 has been approved by the government four times but could not be implemented due to 'lack of initiatives'.

The government has acquired more than 290 acres of land for this project at

### BB bill auction held

The 88th auction of the 91-Day Bangladesh Bank Bill and the 18th auction of the 30-Day Bangladesh Bank bills were held yesterday, says a BB press release.

Seven bids for a total of Tk 61 crore and 13 bids for a total of Tk 115 crore were offered respectively against the 30-Day and the 91-Day bills.

Rooppur, BAEC Chairman told The Daily Star that the project should be implemented to gear up process of industrialisation in the country.

He said several proposals have been lying with BAEC but these are not being processed due to absence of a firm government decision.

Another scientist said "We are ready with our files but the government should give positive thought to the project."

Earlier two feasibility studies have been done, he added.

The government, he added, is paying several lakhs of taka each year to the personnel who are spending an idle time at Rooppur.

BAEC scientists said the project may take seven to eight years to start the operation. They said the status of the project has been revised but it remains unapproved.

### PDB revenue

Revenue amounting to Taka 10 crore 26 lakh was collected by the Central Zone of Power Development Board during the month of July, says a PDB press release.

A total of 1081 electricity connections were snapped for non-payment of outstanding bills amounting to a 38 lakh 31 thousand in Mymensingh Circle, 705 for nonpayment of Taka 68 lakh 30 thousand in Planning and Development Circle and 205 for nonpayment of Taka 32 lakh 21 thousand in Sylhet Circle of the Zone during the same month.

Meanwhile, Sylhet Magistrate Court of PDB fined 39 persons of Taka one lakh 54 thousand for using illegal electricity connections during the month of July.

Court also disconnected 282 illegal and irregular connections during the same month.

### Weak demand for electronics hits S'pore economy

SINGAPORE, Aug 12: Hit by falling demand for electronics goods worldwide, Singapore's economy grew by only seven per cent in the second quarter of 1996 compared to 9.2 per cent during that period last year, the government said Monday, reports AP.

The growth in the gross domestic product, or GDP, was the lowest for any quarter since 1992, when the economy grew by six per cent for the entire year.

The Ministry of Trade and Industry said the slackening of electronics sector rubbed off on the manufacturing sector, which grew by 6.3 per cent in the second quarter compared to 13.9 per cent in the first quarter.

The total GDP growth in the first three months of this year was 10.9 per cent.

Electronics and computer exports, the backbone of Singapore's economic success, account for two-thirds of the country's non-oil exports.

They are responsible for 43.7 per cent of value-added in manufacturing and approximately 12 per cent of Singapore's GDP overall.

Over the weekend Prime Minister Goh Chok Tong said the government is revising its GDP growth forecast for 1996 to between seven per cent and eight per cent from the previous estimate of 7.5 per cent to 8.5 per cent.

He said Singapore's GDP grew by 8.9 per cent in the first half, GDP grew by 10.1 per cent in 1994 and 8.8 per cent last year.

The downturn was only to be expected, and "what has changed is the degree of the slowdown," a trade and industry ministry official told reporters. He cannot be named under briefing rules.

### Malaysian taxi drivers protest cell phone ban

KUALA LUMPUR, Aug 12: Thousands of taxis switched off their radio phones to protest a ban effective Monday on motorists using cellular telephones while driving, reports AP.

Taxi drivers say the new law aimed at preventing accidents effectively prohibits them from holding and talking into microphones to take bookings or discuss business with operators.

Under the new law, motorists caught talking on cellular phones and driving with one hand face a fine of 1,000 ringgit (400 dollars) or three months jail. The transport ministry has advised car owners to install hands-free car phone kits.

The president of Kuala Lumpur's taxi union, Ng Ah Ting, told reporters that about 6,000 member taxis that are equipped with radios turned them off and will pick up fares from the streets only.

Ng said the drivers want to be exempted from the law at least temporarily until the issue is resolved.

A total of 18 radio-taxi operators in Kuala Lumpur and its suburbs areas receive about 36,000 calls a day for taxis.

### World Bank agenda for Bangladesh

## Adopt sound regulatory framework to meet challenges of urbanisation

Bangladesh has to draw in private urban infrastructure investments and management skills within a sound regulatory framework to meet its challenges of urbanisation, the World Bank said, reports BSS.

The bank said to bring a private sector in the government needed to change many of the laws and regulations that guided the relationship between the central and municipal governments.

The World Bank in its recently released 'Agenda for action for Bangladesh' said the authorities should adopt a sound regulatory framework to own and operate urban services in partnership with public agencies, and improve the operations of the municipal authorities.

Saying that the present urbanisation challenge is too much for the public sector to handle alone, the bank pointed out that just for providing clean water to Dhaka's resi-

idents and making modest improvements in sanitation level would cost the public sector more than 60 billion taka.

There simply are not likely to be enough public resources to pay for these urban investments. The private sector will have to pitch in, the bank said.

The World Bank listed some steps which should be taken right away.

The bank suggested establishing an effective overall co-ordination mechanism for the management and development of urban services in Dhaka.

There should be move on the proposed study to look at options for private provisions of water supply in Dhaka.

The bank said the authorities should start to improve cost recovery in Dhaka by contracting out billing and collection for water supply to local contractors.

The World Bank underlined the need for focusing attention on land use, planning and zoning issues for the larger

towns with city corporation. The internal capacity of municipal corporation and secondary towns has to be strengthened to plan, finance and execute cost-effective capital investment programmes.

The authorities should support the formation of public and private environmental constituencies and supply them with relevant data so that they could contribute to the design and implementation of environmental management policies.

The bank suggested to consider ways to provide security of tenure to the already large and steadily growing numbers of slum dwellers in urban areas, most of whom illegally occupy private or government land.

It said the government should implement a programme to provide basic urban services to low-income and slum areas in Dhaka, which can serve as a model for other towns and municipalities.

## Most Asian currencies weaken against dollar over the week

HONG KONG, Aug 12: Most Asian currencies weakened slightly against the US dollar this week, with major units trading in tight ranges, report AP.

**JAPANESE YEN:** The yen fell slightly during the week in thin trading, with sentiment for a strong dollar buoyed by receding concerns over an imminent interest rate increase by the Bank of Japan.

The Japanese unit stood at 108.18 yen to the dollar late Friday afternoon, down from 107.06 a week earlier.

**AUSTRALIAN DOLLAR:** The Australian dollar ended the week stronger but market analysts warned the coming week

was likely to see subdued trading as all markets awaited the outcome of the August 20 budget.

The local unit closed at 77.88 US cents, compared to 77.37 US cents last Friday.

**HONG KONG DOLLAR:** The Hong Kong dollar closed at 7.7363-7.7373 Friday, down slightly from its close at 7.7353-7.7363 last week.

The local currency is pegged in a range against the US dollar and is allowed to float as low as 7.8.

**INDONESIAN RUPIAH:** The Indonesian currency closed this weekend at 2,355 rupiah to the dollar, three rupiah weaker than at closing last

week.

**MALAYSIAN RINGGIT:** The Malaysian ringgit ended the week 37 points higher at 2.4907 to the dollar in generally tight-ranged trading following Premier Mahathir Mohamad's remarks that he did not favour higher rates to cool the economy.

Mahathir also rejected calls to slow down growth to improve the country's widening current account deficit, favouring, instead, imposition of taxes on imports.

**NEW ZEALAND DOLLAR:** The New Zealand dollar closed Friday worth 68.90 US cents, up from the previous week's closing of 68.30 cents.

Trade on Friday was quiet with the Kiwi trading in the 68.79-93 cents range.

"It seems to be fairly well-supported," a dealer said.

**PHILIPPINE PESO:** The peso weakened slightly to 26.195 to the US dollar Friday, from 26.06 pesos last week.

**SINGAPORE DOLLAR:** The Singapore dollar ended a holiday-shortened week slightly weaker against the US dollar, at 1.4170 from 1.4145 last week.

**SOUTH KOREAN WON:** The won weakened to 814.20 to the dollar Saturday, from 812.80 won per dollar last week.

**TAIWAN DOLLAR:** The Taiwan dollar rose slightly to close Friday at 27.496 against the US dollar, up one Taiwan cent from the previous week's finish of 27.506.

The local currency moved in a tight range between 27.472 and 27.508 on lackluster trading during this week.

**THAI BAHT:** The Bank of Thailand Exchange Equalization Fund Friday fixed the official mid-rate at 25.29 baht to the dollar, compared with 25.24 the previous week, a central bank official said.



Khondkar Ibrahim Khaled, Managing Director, Agrani Bank, delivering speech at a meeting arranged at board room of the bank head office participated by head of corporate and core branches. Among others, SA Chowdhury, Deputy Managing Director, and general managers Md Helaluddin, Habibur Rahman, A S Ashrafuddin Ahmed, Yusuf Ali Molla and zonal heads are also seen.

### Regent Pacific director speaks of Investment in Bangladesh

## Foreign investors maintaining 'wait and see' policy

By Rafiq Hasan

Although the foreign investors are happy with the liberal policy proposed in the new budget, they are maintaining a 'wait and see' policy for large-scale portfolio investment in Bangladesh.

This was stated by Ascario Martinotti, Director of Regent Pacific Corporate Advisory Limited, while talking to The Daily Star at a city hotel on Saturday.

He said his company is eyeing some firm profiles of this country before going for further investment.

The Regent Pacific, a Hong Kong-based corporate financial group, has over 15 million dollar investment in Bangladesh.

Claiming his company as the first and one of the largest foreign investors in Bangladesh, Martinotti said it played a pioneering role in promoting foreign investment, both portfolio and direct in this country.

The Regent is committed to the South Asian countries and in 1994 it launched the 'Moghul Fund', the first investment fund dedicated to invest in Pakistan and Bangladesh, he said.

The Moghul Fund raised 50 million dollars, mainly with financial institutions in Switzerland, UK and the Far East.

Termining the withdrawal of one-year lock-in system, exemption of gain-tax and elimination of tax on the sale of bonus shares as "a very right signal to the foreign investors, the Regent director said there is a consensus among foreign investors to come back to Bangladesh.

Martinotti, who often visits different countries about possible investment, looks after

the company interest in India, Pakistan and Bangladesh.

According to him, political stability together with a friendly and simple regulatory policy measures and sound economic fundamentals are the main attractions for foreign investment in a particular country.

Although there are some problems for investment in Bangladesh, the situation is not worse than that in other emerging countries, he pointed out.

"Bangladesh has managed the political unrest and taken some concrete steps aimed at creating a more conducive investment climate", Martinotti observed.

Regarding further investment by foreigners, he said actually they are collecting financial reports of companies because the foreign investors consider that the corporate houses faced serious production shortfall during the long political turmoil in the country.

He expressed strong reservation about green-field projects, saying the foreigners incurred huge losses by investing in such type of companies.

As a result the foreign investors have become very cautious about new investment. They are evaluating every aspect including accounting and previous track record.

He suggested that the local investors should be careful about green-field projects and do business with those companies which are already in trade with sound economic footings.

About concealment of facts by some companies regarding their financial position, the Regent director said there are some companies which have basic economic background and some of them do not have. So before buying shares or debentures, one has to vigorously search for good companies and single out bad ones.

"We prefer those companies which have led the growth in exports and have an exposure to foreign currency earnings," Martinotti said.

In this regard he further said foreigners are showing much interest in pharmaceuticals, chemicals, leather and food sectors for investment.

Without setting-up more stock exchanges, Bangladesh should modernise its existing stock markets and provide training to the people who are involved in share business, he suggested.

Martinotti said the country should liberalise its mutual fund industries for increasing savings rates and making capital formation for overall economic progress.

Additional drilling would establish the exact size of the reservoir Ran said.

He told the Tel Aviv Stock Exchange that the oil was discovered 2,000 meters (yards) below the ground and was of medium quality.

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Rice exports have plunged and the government has not been able to meet 500,000 tons in foreign orders since early last year. Farmers, especially in poorer regions, chafe at forced sales to the government while others fall into debt and lose their land.

Agriculture also suffers from a general ill: Government ministries trying to tackle ambitious projects are being staffed with retired military officers and the poorly qualified. The able few quit for far more lucrative private sector jobs.

Thus, Western analysts say, officials are hard put to cope with calamities like the insect plague.

To contain the marauders

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The 21st board meeting of Southeast Bank Limited was held Thursday last at Hotel Agrabad, Chittagong under the chairmanship of M A Kashem (M). Seen in the picture are directors (from left) Youssuf Abdullah Harun, M Masihur Rahman, Azim Uddin Ahmed, Managing Director Syed Anisul Huq, Director Mohd. Abu Tayub, Vice Chairman, Ragib Ali, Director, Syed Shahid Ali, Mohammad Hossain and Adviser AKM Ghaffar.

## Myanmar struggling to become Asia's rice bowl again

HLEGU Myanmar, Aug 12: Tiny, ravenous bugs are nibbling at the dream of Myanmar's military rulers to turn their impoverished country back into the great rice bowl of Asia, reports AP.

Attacks by the lesser grain borer and grain moth have wiped out as much as 85 per cent of rice in storage, alarming farmers who have not faced such infestations in their lifetimes.

With farms exports the biggest revenue earner for the state, the World Bank and other say success in agriculture is the key for pulling Myanmar from the ranks of the world's poorest nations.

Severe problems could also shake the military's control. Rice shortages and rural unrest preceded the 1988 pro-

democracy uprising that the army crushed with brutality, installing the current junta.

Still, despite the insect infestation and other problems, the regime has scored successes in agriculture.

Small tractors for ploughing rice paddies, bicycles and surplus cash have replaced wooden ploughs bare feet and a hand-to-mouth existence in some areas.

The farmers are much happier now. Some even own televisions and cassette players. Before they only owned cows," said Kyaw Kyaw, a rice broker in Hlegu, a rural community 30 kilometres (19 miles) north of Yangon, the capital.

But the generals face trouble in the countryside, home

to nearly three-quarters of the nation's 46 million people.

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— their extent is not accurately known — farmers must fumigate their harvests and store them in special bins that most cannot afford. Those interviewed said the government has only promised them some pesticides.

The infestations are believed caused by a push to plant two, even three rice crops a year. With only a single crop, insects would die off from hunger. Now, they can move from one rice crop to another, and the drying machinery, pesticides, and special storage bins used in developed countries to stop them is not available.

"They're going against nature without the hardware you need to do that," said Wayne Cartwright of the UN World Food Programme.

The junta has been almost obsessive about agriculture. The official media is filled with reports of new dams and plans to extract two crops on a third of the country's 6 million hectares (14.8 million acres) of rice fields.

The potential is there. Myanmar is a farmer's dream — just about anything can spring from its fertile, well-watered soils. And as other Asian nations industrialize, Myanmar could be in the ideal position to make up their agricultural shortfalls.

It exported one million tons of rice in the fiscal year ending March 31, 1995, but shipments fell to 400,000 tons the following 12 months. The goal is three million tons a year, something the then British

colony managed in the 1920s when it