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# The Daily Star BUSINESS

DHAKA THURSDAY, SEPTEMBER 19, 1996

**HYUNDAI**

CARS THAT MAKE SENSE

**Travel, Tourism Fair '96****Bangladesh stall wins 1st prize**

Bangladesh stall won the 1st prize in the Travel and Tourism Fair '96 held at Netajee Indoor Stadium in Calcutta from September 12-15, reports UNB.

Bangladesh Farjatan Corporation chairman A K A Mublin led Bangladesh delegation comprising government and private organisations — to the fair.

More than 150 government and private organisations of different countries including host India participated in the fair, said a press release yesterday.

**Romania to buy Tk 9cr raw jute from Bangladesh**

Romania will buy raw jute worth two million US dollars equivalent to Tk 8.50 crore from Bangladesh, reports UNB.

Romanian Charge d'Affaires in Dhaka Peter Stamatescu communicated this to Commerce and Industries Minister Tofael Ahmed yesterday, said an official handout.

The envoy, who had met with the minister on Tuesday, also assured that a trade agreement between Bangladesh and Romania would be signed within few weeks.

The minister thanked the envoy for his prompt response and requested him to convey his good wishes to the Romanian government and people.

He hoped that the friendly relations between the two countries would be strengthened further through mutual trade and investment.

**Coca-Cola opens 17th China plant**

The Coca-Cola Company opened its 17th Chinese bottling plant in Zhengzhou, the capital city of Henan province, expanding the availability of Coca-Cola further into central China, says a press release.

The new state-of-the-art 18 million US dollars facility is the first of three plants scheduled to open in the next few months. Four more plants will begin operations before the end of next year, bringing the total number of bottling plants to 23 and representing an investment of more than 500 million US dollars by the Coca-Cola system in China.

"We are continuing to build on our leadership in China and are investing aggressively in the country's rapidly growing soft drink industry," said Douglas N. Daft, Senior Vice President of the company and President of its Middle and Far East group. "Most importantly, with more than 32 per cent volume growth in the first half of this year, we are driving the momentum for our products in China."

Seventy per cent of the new plant — Swire Coca-Cola Beverages Zhengzhou Ltd — is held by BC Development Co Ltd, which is a joint venture between the Coca-Cola Company, Swire Beverages Ltd and CITIC, while 24.4 per cent is held by Zhengzhou General Food Products Factory and 5.6 per cent by Beijing Chong Yin Industrial and Trading Co.

**SIA, Lufthansa Cargo to expand cooperation**

Singapore Airlines and Lufthansa Cargo AG are to expand their cargo co-operation by increasing the frequency of their joint freighter services between Frankfurt and Singapore. These services will also link with the Lufthansa Cargo hub at Sharjah in the United Arab Emirates, says a SIA press release.

From October 31 1996, two additional B 747 freighter services will be launched each Thursday and Friday. On each of these days, SIA will operate from Singapore to Sharjah, while Lufthansa Cargo will operate between Frankfurt and Sharjah. The schedules of the two services will be co-ordinated to ensure a seamless and immediate transfer of cargo between the two flights at the Lufthansa Cargo hub in Sharjah.

These services are in addition to the two current freighter frequencies operated jointly by the two airlines between Singapore and Frankfurt. From November 26 '96, the service currently operated out of Singapore on Thursday will instead operate on Sunday.

**Plying of ships at Mongla Port hampered**

KHULNA, Sept 18: The plying of ships in the route to Mongla Port is being hampered due to lack of sufficient number of floating lighting buoys, reports UNB.

The ships have to wait for long for green signal before entering the port.

There are 18 lighting buoys in 20-25 km routes from deep sea to the confluence of the Pashur river for smooth plying of the ships.

## Bright prospects for Japan-Bangladesh joint-venture projects

By Govinda Shil

Bangladesh entrepreneurs have been suggested by their Japanese counterparts to send more delegates to Japan to attract more foreign investment in the country, said Board of Investment (BOI) officials.

Small and medium-sized entrepreneurs of Japan have shown interests in joint venture projects in ceramic, garments, jute goods sectors where they might invest at least 20 million US dollar initially.

Talking to The Daily Star, M Jalalul Haq, Deputy Director of the BOI said, if this initial investment succeeded, many of the Japanese small and medium-sized companies might come here.

The Deputy Director attended an investment promotion programme held in Tokyo early this year where he submitted 27 project proposals to different Japanese business houses. Out of 27, some 10 proposals have been considered lucrative by Japanese entrepreneurs, Haq added.

The most potential sectors which the Japanese were considering were, electronics assembling, wooden toys, leather products, garments and textile.

BOI officials said that Japanese traders and entrepreneurs were demanding better utility services, more developed infrastructural facilities and political stability for a long-term investment.

Haq pointed out that Bangladesh should organise seminars and symposia in small towns in Japan where most of the medium scale industries are located.

Japan considers Bangladesh as one of the cheap labour cost zone in Asia. In recent years Japan went joint ventures in Malaysia that helped the country's take off.

"We should find out small enterprises in Japan, because they are eager to come here quickly," said another official of the BOI. He said, information about Bangladesh's investment climate was not available in Japan.

Many of the small Japanese know little about our country," the official said adding interaction at the private level should also be increased.

To promote Japanese investment in the country, BOI has set up a special "Japan Desk" at the BOI.



There is abundant supply of hilsa fish in the market. This photograph taken in Barisal recently shows glut of fish in front of the whole-sale market supplied by truck from different parts of the country. Now 40 kg hilsa are sold at a price ranging between Tk 1500 and Tk 2000. Due to inadequate supply of ice, whole-sellers have to sell them at throw away prices for fear of being rotten.

—Star photo by AKM Mohsin

## US Congress agrees to keep foreign aid funding at \$12.1b

WASHINGTON, Sept 18: Key members of Congress agreed late Tuesday to keep foreign aid funding at this year's \$12.1 billion dollars, but a veto threat hung over the legislation, reports AP.

Members of the US House of Representatives and the US Senate appropriations committees worked out differences in the two houses' foreign funding for fiscal 1997. The final version cuts \$200 million from the House's \$12.1 billion, but adds \$200 million from the Senate's \$12.3 billion.

All issues were resolved except funding for family planning, which has divided the House and Senate and brought a veto threat from President Clinton.

The Senate had voted to

spend \$1.4 billion for family planning abroad.

The House version to which Clinton objects would end or reduce assistance to family planning efforts around the world.

The conferees gave congressional leaders 24 hours to decide how to handle the abortion-related issue which also plagued the bill last year.

Without a foreign aid bill, aid would still continue, but it would have to be included in a special spending bill Congress is expected to pass before its year-end recess. Expected within two or three weeks, that bill, to avoid a shutdown of the government, likely would not contain provisions that would prompt a presidential veto.

"We have done a responsible job with this bill given the absolute necessity to balance the budget," said Republican Rep Sonny Callahan, who directed the House appropriations effort.

In the final version of the foreign aid bill, the US contribution to World Bank was set at 700 million dollars, the same as this year's contribution but 234 million dollars below Clinton's request.

Funding for the Agency for International Development was reduced another 30 million dollars to 2.5 billion dollars. This followed a 23 per cent cut last year.

Aid to the two biggest recipients remained at the level of recent years: 3 billion dollars for Israel and 2.1 billion dollars for Egypt.

## 39.60 tons of TCB imported cement damaged in Khulna

KHULNA, Sept 18: About 39.60 metric tons of cement imported by Trading Corporation of Bangladesh were damaged in rain water, reports UNB.

It was learnt that TCB imported 73.30 metric tons of cement and preserved at a hired godown at Daulatpur.

Of them, 29.60 metric tons of cement were damaged when rain water entered the godown during heavy showers.

The authorities brought charges against 17 officials for the lapses and two of them have been put under suspension.

Meanwhile, there are allegations that the damaged cement is being sold by mixing with the good one.

## Rahimafrooz will export batteries to eastern India

Rahimafrooz Bangladesh Ltd, a leading battery manufacturer of the country, signed a deal with an Indian marketing company Tuesday to distribute its automotive batteries in eastern India, reports UNB.

Under the agreement, Calcutta-based Howrah Motor Company Limited will market Rahimafrooz's export brand Volta automotive batteries worth two million US dollars in the first year of business.

Managing Director of Rahimafrooz Bangladesh Limited Feroze Rahim and Director of Howrah Motor Co. Devaprasad Dey signed the agreement in Dhaka on behalf of their respective companies.

Howrah Motors are the largest distributor of batteries in eastern India and have been in the automobile trade since 1918.

The deal is an apparent outcome of Indian Foreign Minister I K Gujral's assurance during his recent visit to Dhaka that India would lower tariff on 13 broad categories of products including batteries for imports from Bangladesh.

Earlier, India had imposed countervailing duty on battery imports to protect its own industry.

The deal will be effective after Indian government issues a gazette notification on the lowering of tariff which is expected to enhance Bangladesh's exports to India.

Rahimafrooz, also a manufacturer of Lucas brand automotive battery, is a leading exporter of Bangladesh batteries to different countries. It first exported Volta batteries to Singapore in 1992.

The company exported some 58,500 Volta batteries to Pakistan, Dubai, Myanmar, Nepal, Bhutan and Zambia in 1995.

## Half a billion poor people live in S Asia Bangladesh needs access to world's capital markets for development

Despite the stunning economic success in some parts of Asia, large portions of the population still do not participate in the economic transformation that has been taking place there. More than half of the world's one billion poor people live in South Asia. For the most part, the poor are without clean water and sewerage, and children lack basic health care and have very limited opportunities for education.

The flow of private capital that is now going to some of the rapidly growing countries in Asia is playing an extremely productive role in supporting economic development. We also need to keep in mind, however, that there are other countries in the region like Laos, Sri Lanka and Bangladesh that do not have access to the world's private capital markets.

The key to the alleviation of poverty is equitable and self-sustaining economic growth. As the World Bank pointed out in a recent report on poverty, "No country has had a sustained impact on reducing poverty without continuing economic growth."

As the "East Asian Miracle" has shown, the countries that have grown rapidly are the ones which have adopted policies in

the areas of health, primary education (including the education of the poor into the formal, private sector, which directly affects the poor. Other areas which are key to poverty alleviation are rural water supply, reforms in the agricultural area and micro-credits for the poor.

The means through which we can best promote sound policy in this group of countries is the World Bank's soft loan arm — the International Development Association (IDA) — and the Asian Development Fund (ADF). These resources are focused on the poorest countries and directed at investments in human capacity building. But resource flows must also be linked to countries' efforts to deal more successfully with issues of economic growth and poverty reduction.

The MDBs already do a great deal of work which has a significant effect on poverty alleviation. In 1995, for example, 25 per cent of the World Bank Group lending was directly targeted to help the poor. The comparable figure for IDA alone was 43 per cent. This included commitments of 424 million dollars for education in South Asia, 258 million dollars for

population health and nutrition and 276 million dollars for water supply and sewerage.

Bangladesh, a densely populated country (120 million in a country smaller than Wisconsin) with social indicators much below those of its neighbours and more than half of its people living below the poverty line, has received substantial support from IDA, the ADF and other donors, for improvements in education. Over the past two decades, the primary school enrollment rate for young girls has doubled to 71 per cent and now approaches the 83 per cent rate for boys.

A great deal of emphasis has also been placed on increasing the role of NGOs — which are numerous and effective in Bangladesh — to help women at the village level get better access to health services and education and micro credit programmes.

In Laos, where 1.5 million people (almost a third of its population) depend partially or wholly on slash-and-burn farming for their subsistence, IDA and the ADF have made integrated rural development the centerpiece of their country assistance strategy.

Source: USIS news feature

## Trade fair draws on India's mystical image

NEW DELHI, Sept 18: Hundreds of people wandered through an exhibition hall in downtown New Delhi on Tuesday hoping to find ancient, mystical solutions to modern problems, said AP.

Those seeking a virtual nirvana explored a CD-ROM encyclopedia of Indian legends and rituals. Farmers considered the benefits of an herbal chicken feed supplement. Scores lined up to have operators tap their dates, times and places of birth into computers, and minutes later hand a sheaf of dot-matrix astrological charts.

Perfect horoscopes, devoid of any human error your pundit may have made, the National School of Astrology and Palmistry pledged in a sign inviting visitors to try out its computer programme.

Mixing old and new was what herbal medicine specialist Akhlesh Sharma had in mind when he helped organize Mystique India. The five-day fair, which ended Tuesday, was sponsored by a government department, the India Trade Promotion Organization.

The idea, Sharma said, was to market age-old practices to a world hungry for intriguing ideas.

"This is the future. I can smell it," he said, pointing to the spread of New Age thinking and growing interest in natural diets and remedies. He noted Indian guru Deepak Chopra's book "The Seven Spiritual Laws of Success" has been a best seller.

"Most Indians knew about all of this 5,000 years ago. It came from our gods," Sharma said. "Why should we be so

adamant about asking how things work? We should just accept that some things do work. Our ancestors did the research."

Mahesh Pandit, a professor at the College of Naturopathy and Yogic Sciences, lined his Mystique India booth with photographs of patients immersed in special baths to treat skin or digestive disorders, or practicing yoga to increase concentration and decrease stress.

Seven years ago, the college, affiliated with Mangalore University in southern India, became the first in the country to offer postgraduate degrees in traditional healing.

## Loan disbursement in Barisal

BARISAL, Sept 18: Government has sanctioned a sum of Tk 24.46 lakh for disbursement among the farmers as agriculture loan in ten thanas of Barisal district under Post-Flood Rehabilitation Programme-96 during the current season, reports BSS.

According to an official source, the loan will be disbursed for aman, boro, wheat and vegetables cultivation.

Of the total Tk 2.88 lakh will be disbursed among the farmers of Barisal sadar thana, Agailjhara, Gournadi, and Mehendigonj thanas, Tk 2.40 lakh among the farmers of Wazirpur, Tk 1.92 lakh each among the farmers of Babugonj, Hizla and Muladi, Tk 2.40 lakh among the farmers of Bakergonj and Tk 2.38 lakh among the farmers of Banaripara thanas of this district.

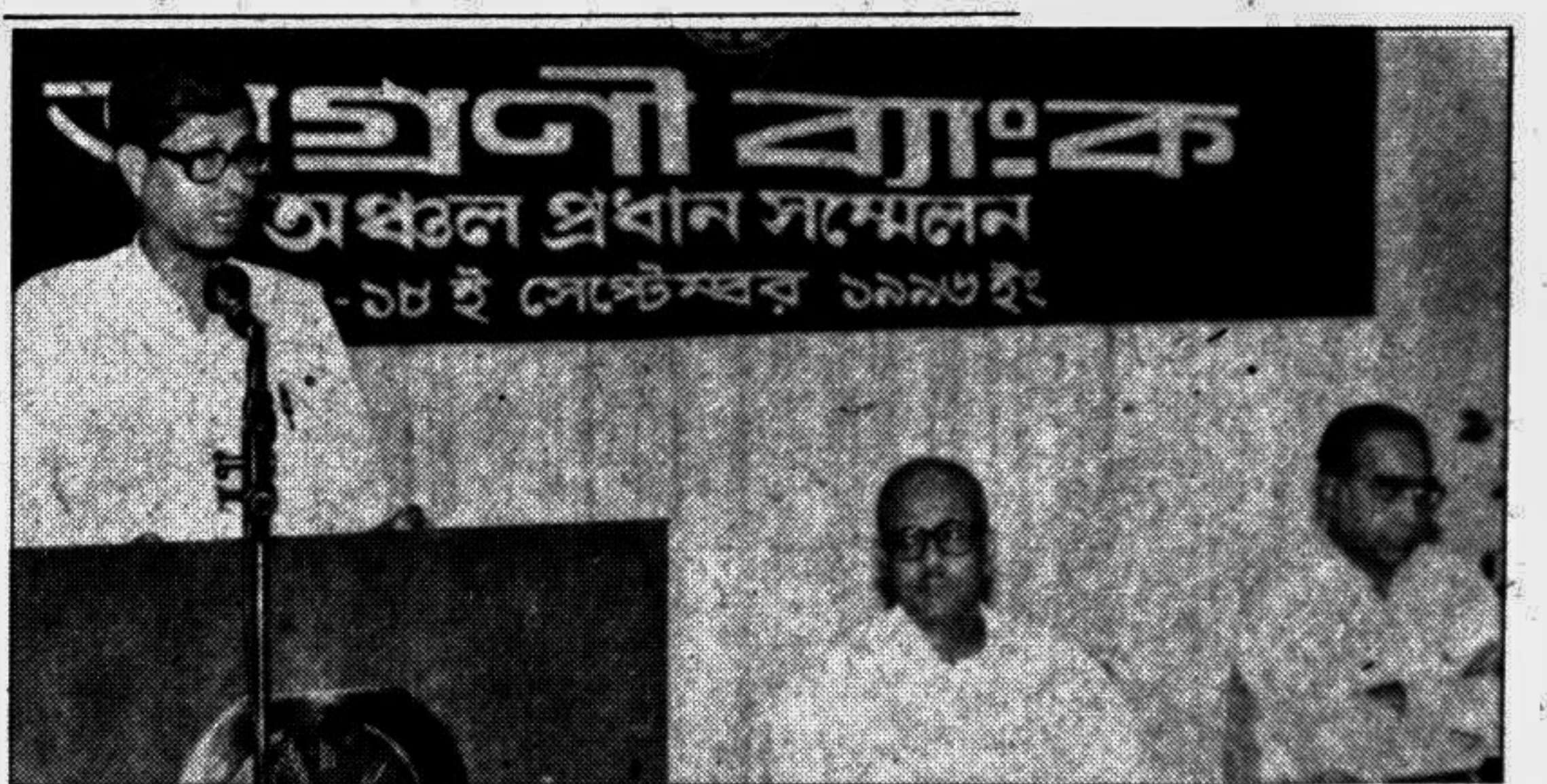
## Agrani Bank Zonal Head Confce '96 held

Agrani Bank Zonal Head Conference '96 was held at a local hotel on Tuesday. Shah Abdul Hannan, Secretary for Banking Division, inaugurated the conference as chief guest. H T Imam, Chairman, Board of Directors of Agrani Bank and Khondkar Ibrahim Khaled, Managing Director of the bank spoke at the conference, says a press release.

Ibrahim Khaled in his inaugural speech dwelt on the role of bank in different aspects. He urged the bankers to be more careful in deposit mobilisation, loan disbursement and recovery. Khaled in his speech expressed his confidence in efficient management of the bank and said classified loans should be reduced from 30 to 20 per cent by the end of current year. He also added that "we are to keep sharp eye so that our classified loans should not exceed 5 per cent in the days to come. Khaled expected the commitment of the bankers in terms of successful implementation of the strategy suggested by the conference for upholding the reputation of the bank."

H T Imam, Chairman, Board of Directors of Agrani Bank, emphasised prudence and diversified activities for attaining success. He stressed on taking special measures for reducing the classified loans. He further added that we have to come out of the vicious default culture for consolidating our economic foundation through introducing new ideas and firm determination.

Shah Abdul Hannan, Secretary for Banking Division in his speech said the main aim of present government is to make banking sector corruption free, dynamic and transparent.



Shah Abdul Hannan, Secretary for Banking Division, inaugurating Agrani Bank Zonal Head Conference '96 at a city hotel on Tuesday. HT Imam, Chairman, Board of Directors, and Khondkar Ibrahim Khaled, Managing Director of Agrani Bank, are also seen.

## Tea auction witnesses fair support from foreign buyers

CHITTAGONG, Sept 18: The weekly tea sale held here on Tuesday witnessed a fair support from Poland, Russia, Pakistan and Afghanistan, market sources said, reports UNB.

Blenders were active and operated in strength with fairly good support from the internal buyers.

Meanwhile, a fair quantity of large and bold Broken was withdrawn from the sale owing to low bids, but were sold in the out-lot at slightly improved levels. Dusts were a strong market.

CTC Broken: Bold broken were absorbed at slightly lower levels, declining from up to Tk 0.50 per kg. Large Broken were also a lower market declining by up to Tk 1 per kg.

Medium and smaller Broken were generally a Taka easier but good liquoring types were about steady. Popular types were generally easier selling between Tk 45.50 and 50.30.

CTC Fannings: There was more demand but prices were generally easier often by Tk 0.50 to 1 below last levels. Good liquoring types met with some competition and were generally firm. Popular varieties were also an easier market and sold between Tk 45.50 and 50.90.

Green Tea: Twenty chests of YH on offer sold at Tk 51.

Dust Catalogue: Some 2,774 chests, 679 Gunny Sacks, 779 Bags and 37 chests of old season on offer met with a fairly strong demand at dealer rates.

Good liquoring types met

with a strong competition and advanced by Tk 1 to 2 and sometimes more. Others were generally firm to up to Tk 1 dearer over last. Blenders along with the bazar lent useful support with some enquiry emanating from Pakistan.

## Lanka's export growth may slow this year

COLOMBO, Sept 18: Sri Lanka's export growth was expected to slow to just under 10 per cent this year from 12 per cent last year, the private Ceylon Chamber of Commerce said here yesterday, reports AFP.

## Pabna irrigation project still remains inoperative

A gigantic project aimed at bringing under irrigation vast tracts of cropland in Pabna district and its adjacent areas remained inoperative for alleged inbuilt flaws and malpractice in its implementation process, reports UNB.

The behemoth is the Pabna Irrigation and Rural Development Project (PIRDP) which does not yet serve its due purpose even after five years of completion of its works spending Taka 385 crore.

A treasury-bench MP from Pabna-3 constituency, Wazuddin Khan, tried to raise the issue (question number 340) during the first session of the present Parliament.

By involving the government's own fund along with as-

sistance from Asian Development Bank (ADB) and International Fund for Agricultural Development (IFAD), the construction of the project was officially completed in June 1992.

The PIRDP is located in areas of plain and low land on the confluence of the country's two major rivers — the Jamuna and the Padma — covering nine thanas in the district, one in Sirajganj and two in Natore.

It was taken up to save some 1,84,534 hectares of land from possible flood onslaught, give water-flushing facility from 1,38,866 hectares and supply water to 21,862 hectares of land.

The project targeted an increase of about 1,93,726 metric

tons of farm output.

But the farmers of the areas are deprived of requisite facilities to be derived from the project as authorities failed to give a streamlined form to it due to alleged faulty planning, irregularities in the implementation process and corruption.

The PIRDP's construction works included 160 kilometre-long embankment, two pumping stations, 400-km irrigation canal and other infrastructural facilities.

The sill level of the navigation lock adjacent to the Bera Pumping Station was made +18 feet whereas water level of the Hurasagar river remains +12 feet during the lean season.

Consequently, boats carrying either passengers or com-

modity cannot pass through the navigation lock and also cannot anchor at the Bera naval port. The famous riverport of the British period is on the verge of death.

The Kotola pumping station was supposed to remove water from the areas on the bank of Bageswari river so as to ensure cultivation of high-yielding planted Aman paddy. But it is now being used for opposite purpose — for producing seeded Aman by supplying water to the areas during the rainy season.

The Bera pumping station was installed with a capacity of 2500 cusec water. As such, a power sub-station was also installed for operation of three pumps.

But, reportedly bringing a change in the main plan, au-

thorities installed five pumps which could not be kept operative simultaneously due to lack of power generation.

Besides, Ichhamati river has been transformed into the main irrigation canal of the project. Water cannot be supplied through 38-foot level as the 80 km-long dyke and 14 structures constructed on two sides of the irrigation canal collapsed before inauguration of the project. Three more structures constructed without cement-rd already have collapsed.

New areas are experiencing water-logging problem as a result of faulty planning and indiscriminate construction of infrastructure, the sufferers said.

Government's NIMED

Directorate, after an overall evaluation of the project, requested the Water Resources Ministry to conduct investigation into the matter.

The issue, however, is learnt to have been confined to the files of the officials concerned.

The Bureau of Anti Corruption is conducting an investigation against the then chief engineer of the project, officials said.

Earlier, the Water Resources Ministry had proceeded, but didn't complete the probe.

WDB's four committees have investigated the corruption charges within the Bera and Kotola pumping stations.

No action was taken against anyone even after the bungling of about Taka 15 crore had been detected.

## China's trade surplus rises in Aug

BEIJING, Sept 18: China's foreign trade surplus was three billion dollars for the month of August as exports increased 12.8 per cent over the same period last year, the state statistical bureau said yesterday, reports AFP.

Exports on August rose to 14.1 billion dollars compared with imports of 11.1 billion dollars, the bureau said. The import figure was only 3.8 per cent less than in August 1995.

China had a trade deficit for the first five months of the year but nevertheless recorded a five billion dollar trade surplus for the first eight months thanks to a summer reversal in the trade balance, the bureau said.