



## FDI inflow in India reaches \$1.68 in 8 months

NEW DELHI, Oct 25: The actual inflow of Foreign Direct Investment (FDI) in the first eight months of 1996 reached \$1.68 billion US dollars, close to the 1995 figure of two billion dollars, official sources said here Thursday.

This shows that despite a change in government in the country, actual FDI inflow has been indicating a progressive increase since foreign investment policy was liberalised in 1991.

Given this buoyancy, this year's performance is expected to be repeated if not exceeded, the sources said.

The percentage of actual inflow to foreign investment approvals has also improved as this was 25.8 per cent during the first eight months of 1996 compared with the 19.8 per cent in 1995.

The sectoral analysis of FDI, according to the approvals since 1991, shows that the telecommunications and fuel sectors attract the highest amounts of investment with sectoral shares of 24.17 per cent and 20.48 per cent respectively.

The financial services sector attracts the third largest quantity of FDI with a share of 6.92 per cent. The latter includes banking, financial services and non-financial services.

This is closely followed by the food processing and transportation sectors with shares of 6.8 per cent and 6.43 per cent respectively.

## Japan to resume grant aid to China

TOKYO, Oct 25: Japan is preparing to resume grant aid to China now that Beijing has joined a moratorium on nuclear testing, an official familiar with the decision said Thursday, reports AP.

The assistance to China, which totalled 7 billion yen (62 million dollars) in 1994, was stopped last year after Beijing carried out some nuclear tests.

But since China decided to join a moratorium on nuclear testing three months ago, the Japanese government has been slowly preparing to resume the aid.

The official, who refused to be further identified, said the resumption of grant aid was expected before the end of the year.

The move has been stalled because Parliament's lower house, chosen in elections Sunday, has yet to decide whether Ryutaro Hashimoto will remain as prime minister, delaying formation of a new Cabinet.

In July, China conducted a nuclear test explosion and then declared it would join a moratorium on nuclear testing. It has been testing nuclear devices in a northwestern desert since 1964, Japan, which possesses no nuclear weapons and was attacked twice with atomic bombs in the closing days of World War II, has repeatedly protested the testing.

Loans to China totalling about 140 billion yen (1.2 billion dollars) a year were never stopped.

Meanwhile, relations between China and Japan have been tense since a territorial dispute over a group of islands in the East China Sea flared up over the summer.

Japan contends the islands, known as Senkaku in Japan and Diaoyu in China, but Taiwan and China claim them.

## Ramos pledges to increase business leaders-APEC cooperation

WASHINGTON, Oct 25: Philippine President Fidel V. Ramos promised on Thursday to increase cooperation between business leaders and Asian-Pacific heads of governments to meet in Manila Nov. 24, reports AP.

Ramos spoke by satellite from Manila, at 4 a.m. Manila time, to a news conference organised by the APEC Business Advisory Council, made up of business leaders from the 18 APEC countries. President Clinton plans to attend the meeting in Manila.

Ramos said the meeting will adopt a plan to help international trade and investment, try to make a contribution to the meeting of the World Trade Organisation in Singapore the following month, and discuss new ways to cooperate.

"We will be hard pressed to succeed in these endeavors without the business sector," Ramos said.

Ramos said he had already begun to implement some recommendations from business leaders, such as the issuing of a visa for business people that will permit them to come and go repeatedly to the Philippines.

The APEC Business Advisory Council had recommended that such a visa be instituted by all 18 member countries, to cut red tape and enable movement freely throughout the area.

# Bourses witness steady growth over the week

By Rafiq Hasan

Country's two stock exchanges witnessed a steady growth last week after some corrections following the re-introduction of circuit breaker system.

The All Share Price Index of Dhaka Stock Exchange (DSE) rose by 91.80 points during the week and stood at 2193.80 points on Thursday, the closing day of the week.

The Market Capitalisation of the bourse crossed 15,000 crore mark for the first time,

the week except on Monday, when the price index and market capitalisation declined slightly.

In the first two days of the week, the DSE price index gained 15.79 and 18.47 points respectively while, on Monday, the index fell by seven points.

But bullish trend returned to the capital market in last two days of the week as all the market indicators started going up.

On Thursday, the closing day of the week, the price index

was buoyant due to imposition of the system because we could not do business properly as the investors showed less interest in share trading through brokers, said a member of the DSE.

He said that the investors preferred the market for selling their shares as prices of most of the issues were higher than that at the floor. Besides, they could not buy shares from the floor due to crisis of the scrips, he pointed out.

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ket in the next week which might affect the secondary market, he pointed out.

Subscriptions of at least three companies, which published prospectus recently, will open in the next week.

The companies are Mark Bangladesh Ship and Engineering Limited, Maq Enterprises and H R Textile Mills Limited.

The total equity of those shares is about Tk 45 crore.

Among them, subscription of shares for Mark Bangladesh will remain open from October 30 to November 7, Maq Enterprise from November 2 to November 9 and H R Textile from November 4 to November 13.

The Mark Bangladesh offered Tk 26.78 crore, Maq Enterprise Tk 8.37 crore and H R Textile Tk 10 crore worth of shares.

Among those, only Mark Bangladesh offered shares at 100 per cent premium while others offered shares at the face value of Tk 100 each.

Meanwhile, two new issues were listed with the DSE last week. Shares of both issues were sold at the secondary market at much higher prices than their face value since the beginning of the transaction.

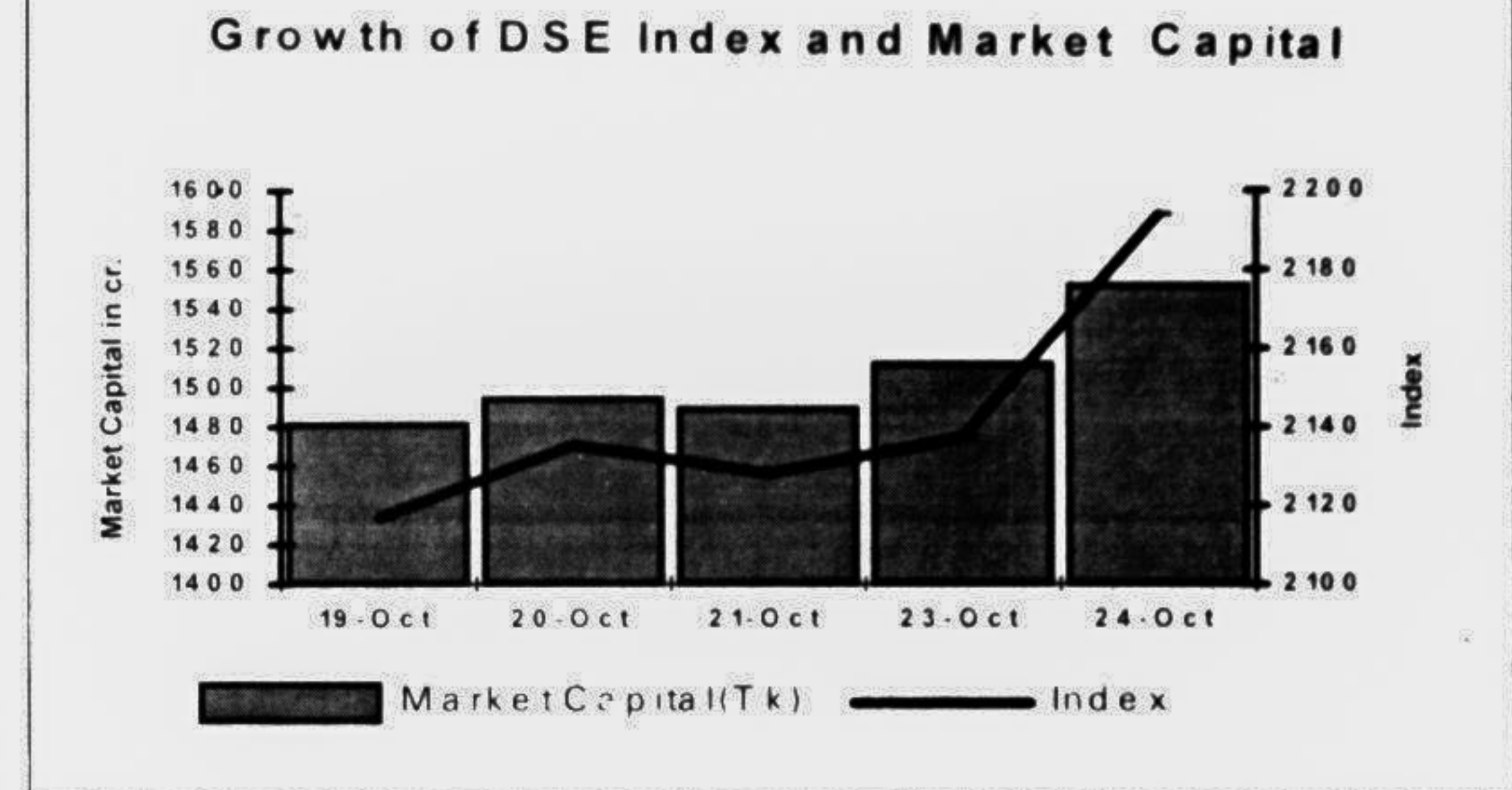
The issues are Wonderland Toys and 8th mutual funds of ICB. Both issues were oversubscribed.

According to the sources, the Wonderland Toys had received applications providing about Tk 75 crore against its offering of only 3.5 crore worth of primary shares.

The 8th mutual fund was oversubscribed by about 25 times which received applications offering Tk 125 crore against its five crore worth of IPOs.

At the secondary market the shares of Wonderland Toys were transacted at more than Tk 1400 per share while shares of 8th mutual fund at more than Tk 650.

Meanwhile, the lottery of IPOs of the Standard Ceramic, which got the highest amount of over subscription about Tk 230 crore against its shares of 4.39 crore, is likely to be held next week.



reaching Tk 15,516.37 crore. The figure is 4,046.37 crore higher than that of the previous week's closing day record.

As many as 46.08 lakh shares and debentures valued more than Tk 153.76 crore changed hands during the five day's hectic business. The bourse remained closed on Thursday due to government holiday on the occasion of Durga Puja.

The average transaction in volume was about 9.22 lakh and in value Tk 30.75 crore per day.

Out of 106 issues traded daily on an average, 54 issues gained and 47 suffered losses while three remained unchanged.

The market witnessed a steady growth every day during

gained 56 points and market capitalisation increased by Tk 398 crore.

The All Securities Price Index of Chittagong Stock Exchange increased by 52.25 points and reached 936.05 points from previous week's 883.80 points.

The market capitalisation of the CSE surged by Tk 669.18 crore, reaching Tk 9768.95 crore on Thursday, from previous week's position of Tk 9099.77 crore.

Market operators and observers said the market has almost overcome the stagnant situation which was created following the re-imposition of circuit breaker system.

"We suffered a lot in the pre-

vious week because we could not do business properly as the investors showed less interest in share trading through brokers, said a member of the DSE.

He said that the investors preferred the market for selling their shares as prices of most of the issues were higher than that at the floor. Besides, they could not buy shares from the floor due to crisis of the scrips, he pointed out.

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## Global business convention in Osaka ends Bangladeshi goods generate interest among importers

TOKYO, Oct 25: A Bangladesh delegation comprising 22 members including six senior government officials from Prime Minister's office, BOI, BEPZA, EPB, BPC and 16 representatives from the private sector participated in the Global Business Opportunities Convention, 1996 (G-BOC '96) held in Osaka, Japan from October 21 to 23, reports BSS.

The Bangladesh Ambassador and the Commercial Counsellor in Tokyo also joined the delegation.

The prime objective of participation in the convention was the explain about investment and trade opportunities in Bangladesh to Japanese business community, attract foreign investment, especially from Japan and project more positive image of Bangladesh to the participating countries.

A total of over 900 delegates from 37 countries participated in the G-BOC '96.

The Bangladeshi products, especially apparels, leather, chemicals and pharmaceutical products displayed in the Bangladesh booths generated keen interest among the importers.

The Bangladesh delegation met the media Wednesday were Bangladesh Ambassador SM Rashed Ahmed projected favourable image of Bangladesh and the positive policy changes and initiatives of the new government which has created an excellent environment for Japanese investors. The delegation also answered questions

from the media people.

Later in the afternoon, a Bangladesh seminar was held where the Ambassador elaborately explained the various steps taken and policy measures in the offing including amendment to the industrial policy of Bangladesh by the government to accelerate the pace of economic, commercial and industrial development of Bangladesh to achieve socio-economic and political stability.

'China should be given WTO's full membership'

TOKYO, Oct 25: A seminar of government officials, academics and business people ended Friday after agreeing that China should be given full membership in the World Trade Organisation, reports AP.

The group discussed how to speed up ongoing Geneva talks on China's bid for membership in the international trade watchdog, but did not fully agree on specific steps.

The two-day seminar brought together officials from 12 countries and representatives of the WTO, including Kim Chul-su of South Korea, deputy director general of the international trade watchdog.

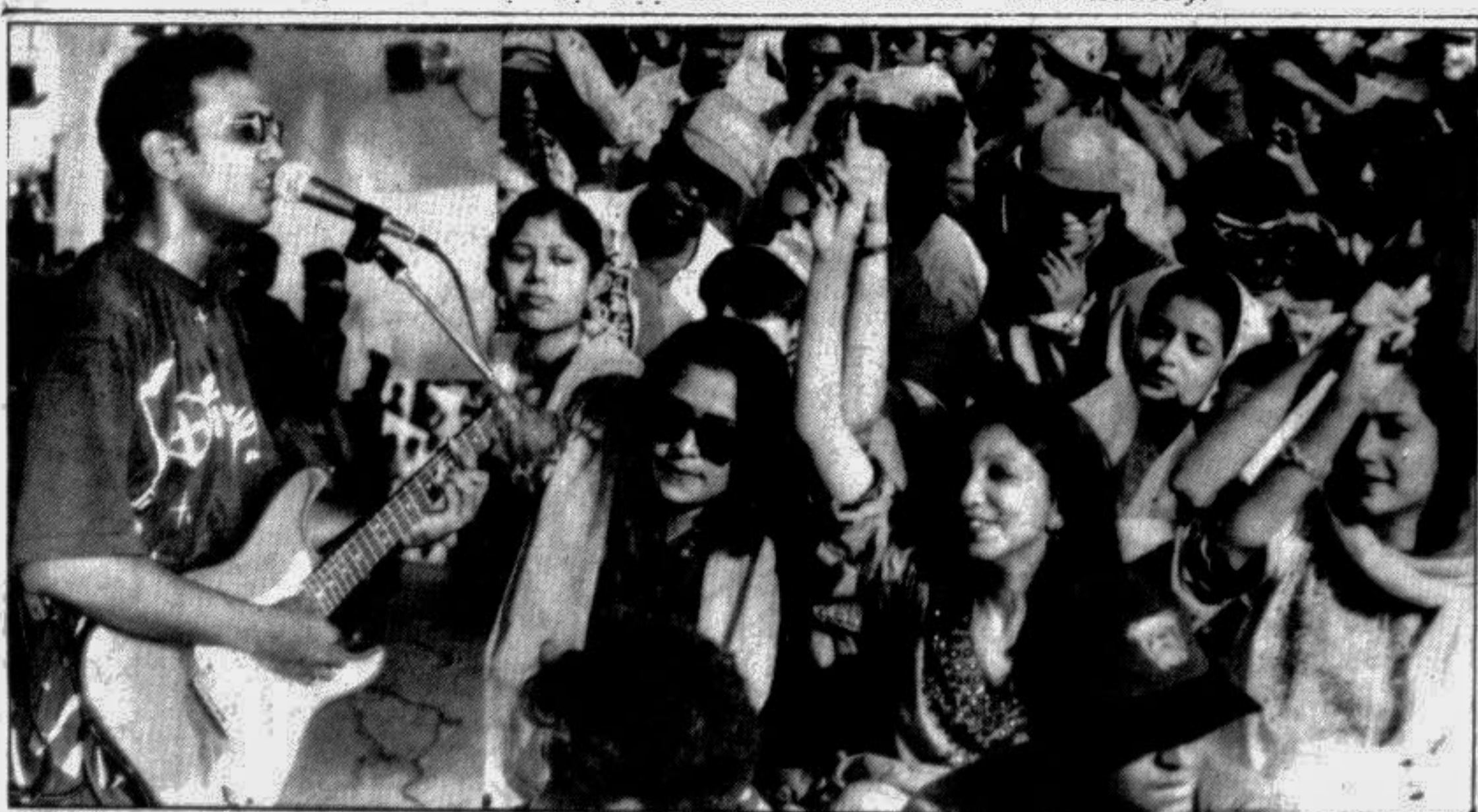
China, which has observer status in the 125-member WTO was represented by Long Yongtu, an assistant minister

He also mentioned the recent visit of Prime Minister Sheikh Hasina to China and Hong Kong which significantly paved the way for attracting more foreign investments from China and Hong Kong. He also referred to the current visit of the Prime Minister to New York in connection with her participation at the UN General Assembly where she would meet some reputed US firms with a view to attracting their investments in Bangladesh, particularly in the energy and infrastructure sectors.

Besides, MH Khan, Executive Chairman, BEPZA, Dr. SY Farooq, Executive Member, BOI and Sharif Afzal Hossain, Sr. Vice President, Bangladesh Chamber of Industries also spoke on the investment opportunities including various facilities and incentives offered to the investors in Bangladesh.

The seminar was preceded by a luncheon meeting with the business leaders of Osaka arranged by the Osaka Chamber of Commerce and Industry in honour of the Bangladesh delegation.

The meeting was attended, among others, by Teruo Hotta, Vice Chairman, Osaka Chamber of Commerce and Industry, Chairman, International Committee, Osaka Chamber and Senior Advisor, Nissho Iwai Corporation. Bangladesh was one of a very few countries for which such a luncheon meeting was arranged by the Osaka Chamber of Commerce and Industry.



Rights, a social welfare organisation, arranged the Coca-Cola Concert at Army Stadium in the city yesterday. —Star photo

## Tofael inaugurates crushing season Sugar production target fixed at 2.15 lakh MT

RAJSHAHI, Oct 25: Sugar-cane crushing season of 1996-97 began today with a target of producing 2.15 lakh metric tons of sugar by crushing about 26 lakh metric tons of sugarcane, reports BSS.

Commerce and Industries Minister Tofael Ahmed formally inaugurated the crushing at Rajshahi Sugar Mills today.

Out of 14 sugar mills of the country, the crushing has been started in three sugar mills from today.

The other two mills are Natore sugar mills and North Bengal sugar mills. All the remaining sugar mills will go for crushing in the next month.

Bangladesh Sugar and Food Industries Corporation (BSFIC) contributed Taka 130 crore in the national exchequer in fiscal 1995-96.

In the current season, Rajshahi Sugar Mills has fixed a target of producing 21,000 mt of sugar by crushing of 2.50 lakh mt sugarcane.

Speaking on the occasion, the Commerce and Industries Minister hoped that Rajshahi Sugar Mills would make profit of about Taka three crore through achieving its target.

Referring to the losses incurred by the State Owned Enterprises (SOEs), he said, the government cannot continue to bear such burden for indefinite period.

He urged the workers and employees of SOEs to work with sincerity and devotion to make their enterprises profitable.

The inaugural function was also addressed by the chairman of BSFIC Md Shawkat Ali.

## Single currency may cost EU retailers \$ 33b

LONDON, Oct 25: European Union retailers could face costs of more than 27 billion ECUs (33 billion dollars) if and when the union switches to its planned single currency, the Financial Times reported Friday, says AFP.

Quoting a private industry report, the paper said the figures, which represent almost two per cent of EU retailers' annual turnover, provided the first concrete estimate outside the banking sector of the cost that monetary union presents for companies.

## HK firm to invest \$25m in Bangladesh

CHITTAGONG, Oct 25: The multinational company Sea Horse based in Hong Kong would invest 25 million US dollar in development, expansion and modernisation of children's parks in different cities of Bangladesh, says BSS.

The investment would be made in the name of Wonderland and Amusement Park networks in collaboration with the Bangladeshi company via-media Business Services Centre Ltd (BSC Ltd).

Managing Director of BSC Ltd Mustafizur Rahman said this at a luncheon hosted by him in honour of the visiting seven-member trade delegation from Hong Kong at a local club Thursday.

He said that his company and the investors has already signed a memorandum of understanding to start works on the projects.

Children's Parks will be de-

veloped, expanded and modernised at Dhaka, Chittagong, Khulna and other places of the country, he said.

The Hong Kong trade delegation headed by Chang Tang and comprising leading industrialists from China, Hong Kong, Canada and Indonesia had come to Chittagong to have an on-the-spot idea about the project to be financed by them.

During their stay here they met with Chittagong City Mayor ABM Mohiuddin Chowdhury, leading industrialists and leaders of Chittagong Chamber of Commerce and Industries.

Mustafizur Rahman said that the delegation members were attracted to invest in Bangladesh following Prime Minister Sheikh Hasina's recent visit to Hong Kong where she invited foreign investors to invest in Bangladesh.



A worker unloads boxes of Chinese apples on October 25 along the embankment of the Maekong river in the Thai town Chiang Saen bordering Laos some 10 kilometres from the Golden Triangle. Trade between Thailand, Laos and Myanmar in the area where opium trade was formerly prevalent increases steadily as the three countries opened more border checkpoints allowing a land entry for Chinese products to enter the ASEAN market. As part of Thailand's efforts for regional economic influence, the government has increased road development with undergoing construction of north-south highways connecting China's Yunnan province and northern Thailand via both Myanmar and Laos. — AFP UNB photo

## New generation of high-yield rice in Asia likely by 2000

SINGAPORE, Oct 25: A new generation of high-yield rice will be available to Asian farmers by 2000, providing much needed relief as the region runs short of arable and water, scientists and officials said on Thursday, reports Reuter.

"Most recent developments suggest that the race to stay ahead of the food crisis is not yet over in many parts of Asia, Mercedita Sombilla, an affiliate scientist of the International Rice Research Institute (IRRI), said in a speech at the start of a two-day Asia rice conference in Singapore.

The challenge... is how to balance the need for greater food production at prices affordable to the urban poor and the rural landless farmers, (and be) profitable to farmers while protecting natural resources and the environment for generations to come."

IRRI geneticists were currently developing new rice varieties which should raise yields by up to 50 per cent. The first strains would be available

to Asian farmers on an experimental basis by 2000, Sombilla said.

Asia's population was expected to rise to 4.4 billion in 2020 from 3.3 billion in 1995, Sombilla said. For the majority, the staple food will be rice.

Beddu Amang, chairman of Indonesia's Bulog Commodity Agency, said Jakarta wanted to ensure self-sufficiency in rice and had decided to devote two-thirds of one million hectares (2.47 million acres) of new farmland on Kalimantan province to rice cultivation.

"It is important that we succeed in doing so," he said, adding the government was determined to maintain stable rice prices and supplies among the country's 200 million people.

But a daunting problem facing the region would be increasingly limited supplies of water, arable land and the loss of farms to the region's sprawling cities.

"Water supplies are already a constraint to agricultural pro-

duction growth in parts of Asia and the problem is likely to be more widespread and felt more acutely by 2005," Richard Woodhams, assistant executive director of the International Grains Council (IGC) in Britain, said in a paper presented to the meeting.

"Not only are irrigated areas being exhausted but the arable land resources are now breaching its limits," IRR's Sombilla added. "Valuable farmlands, including irrigated areas, are lost daily to factories, houses and roads as migrants flee from rural to urban areas in historically unprecedented numbers."

Woodhams urged countries around the region to adopt more open and flexible market systems to reduce the millions of tonnes of grain lost in Asia every year.

Sombilla said rice demand in Asia would shoot up to 442 million tonnes a year by 2020 from 307 million tonnes in 1993.

Production in Asia in 1993 reached 315 million tonnes.

## Convention on Women & Poverty begins today

A three-day national convention on "Women and Poverty" begins today at 4 pm at the auditorium of Academy for Planning and Development here, reports UNB.

Finance Minister Shah A M S Kibria will inaugurate the conference, organised by Women For Women, a research and study group.

Agriculture, Food, Disaster Management and Relief Minister Matia Chowdhury will be the guest of honour while Executive Director of the FRIP Trust Aroma Goo the special guest at the function.

Women For Women president Salima Khan will preside over the inaugural session.

The convention, split into six working sessions, will discuss various women issues. These will include "Rural Poverty and Women: Socio-Cultural and Economic Dimensions", "Women in Urban Poverty: Changes for Survival", "Structural Adjustment Policy and Programmes in Bangladesh: Impact on Women in Poverty", and "Beijing Platform for Action: An Agenda for Empowering women in Poverty".

At the concluding session on Monday, Bangladesh Mahila Samity president Dr Neelima Ibrahim will be the chief guest while the Bhorer Kagoj editor Matiar Rahman the special guest.

## Asian stocks end week lower

HONG KONG, Oct 25: Asian stock markets ended the week mostly lower Friday, with share prices falling in Tokyo for the fifth straight day, reports AP.

Tokyo's 225-issue Nikkei Stock Average fell 263.52 points, or 1.25 per cent, to finish the day at 20,739.97. On Thursday, the average shed 78.66 points, or 0.37 per cent.

The Tokyo Stock Price Index of all issues listed on the first section was down 13.33 points, or 0.85 per cent, to 1,557.76. The TOPIX had closed down 5.64 points, or 0.36 per cent, the day before.

Share prices ended sharply lower following an overnight fall on Wall Street and weaker futures prices in Chicago. The Dow Jones industrial average dropped 43.98 points Thursday to close at 5,992.48 points.

Traders said investors are also worried about a lack of concrete government policies to stimulate the economy.

The dominant Liberal Democratic Party's difficulty in forming a ruling coalition since Sunday's elections has added to concern about lack of policy.

Meanwhile, the US dollar was quoted at 113.10 yen, 0.32 yen above its level in Tokyo late Thursday and above its New York quote of 112.87 overnight.

HONG KONG: Share prices closed lower for the second straight session.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 85.18 points, or 0.7 per cent, closing at 12,388.38. On Thursday, the index had slipped 18 points.

Brokers said investors continued to take profits following sharp gains in share prices last week, when the index hit an all-time high.

They said the overnight decline on Wall Street also dragged down the Hong Kong market.

The Taiwan market was closed for a public holiday.

SYDNEY: The Australian share market closed sharply lower, with brokers saying that investors were nervous after four straight days of fall on Wall Street. The All Ordinaries Index closed at 2,335.2, down 42.4 points from Thursday's record close at 2,377.6.

WELLINGTON: New Zealand share prices closed lower in line with weaker overseas markets. The NZSE-40 Capital Index fell 25.71 points to 2,327.20.

MANILA: Share prices closed lower. The Philippines' PSE index of 41 selected issues fell 79.62 points to close at 2,962.16.

SEOUL: Share prices closed lower in thin trading. The Korea Composite Stock Price Index fell 10.66 points to 796.78.

SINGAPORE: Share prices closed higher in moderate trading. The 30-share Straits Times Industrials (STI) Index rose 17.59 points to 2,077.20.

KUALA LUMPUR: Malaysian share prices closed generally higher, but the key index slipped because of the decline in some blue chips. The Composite Index fell 4.18 points to 1,172.95.

BANGKOK: Thai share prices closed in thin trading. The Stock Exchange of Thailand (SET) Index fell 6.21 points to 938.30.

JAKARTA: The stock exchange's Composite Index fell 4.561 points, closing at 571.335.