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The Daily Star BUSINESS

HYUNDAI
CARS THAT MAKE SENSE

OPEC ready to freeze output quota to keep prices high

VIENNA, Nov 28: The OPEC cartel stood ready today to freeze production quotas in a bid to keep oil prices high despite Iraq's likely resumption of exports, reports Reuters.

The Organisation of Petroleum Exporting Countries (OPEC) conferred in Vienna as news broke in New York of further progress toward easing a United Nations Gulf War ban on Iraq.

A Security Council sanctions committee on Wednesday formally approved a pricing formula to remove one of the final hurdles to implementing an oil-for-food deal with Iraq.

Iraq's chief OPEC delegate, Osama Al-Hiti, told reporters he now expected to resume oil sales within "a matter of weeks."

"If the tanker comes tomorrow we can fill it up," he said.

CCC asks Ward Commissioners to prepare dev schemes

CHITTAGONG, Nov 28: Chittagong City Corporation (CCC) Mayor A B M Mohiuddin Chowdhury on Wednesday called upon the Ward Commissioners to prepare development projects for every ward and submit them to the Corporation, a CCC press release said, reports BSS.

Addressing the 27th general meeting of Ward Commissioners in the Corporation conference hall, Mayor Mohiuddin said, as elected representatives of the Ward Commissioners will have to develop their respective areas so that citizens can enjoy more and more amenities.

He also urged the Ward Commissioners to ensure law and order in every ward. He said, Ward Commissioners have been entrusted with more responsibilities and as such they are to work with honesty and dedication for the welfare of the people.

Mayor Mohiuddin also called for developing the undeveloped areas of the city on priority basis.

T & T treasury bond auction held

The fourth auction of the three years (T and T) treasury bond was held here yesterday, reports BSS.

Ten bids for a total of Taka 168.00 crore were offered in the auction. Of these, nine bids for a total of Taka 125.00 crore were accepted.

The weighted average price of the accepted bids was Taka 77.64 per 100 taka.

The corresponding yield is 8.80 per cent, Bangladesh Bank press release said.

BASC workshop on sales management concludes

By Staff Correspondent

The Business Advisory Services Centre (BASC) organised a four-day workshop in the city on 'Professional Sales Management' that concluded yesterday, said a press release.

The workshop was attended by executives from the Rhone-Poulenc Rorer Bangladesh Ltd., Ventura Automobiles Ltd., Rahimairtoo Ltd., HS Enterprise Ltd., Property Group, Touch Group and Micro Industry Ltd.

Of the 14 non-banking financial institutions, the subject of a high level probe which has rocked the Bangladesh Bank, 11 are foreign investments with local associates except for Peregrine which is a branch of Hong Kong based investment company. The allegation of fraud, forgery and conspiracy perpetrated in obtaining relaxation of section 25(3) are grave and serious charges and since it takes more than one to conspire, the implication of this is damaging, to say the least, for the investors in this sector. It is essential that the gloomy atmosphere created by the findings of the one-man committee is cleared and the cause removed permanently before section 25(3) blocks further investments in the financial sector.

The Non-Banking Financial Institutions Act of 1993 hurriedly prepared by the former government and rushed through the parliament was an un-called for and unimaginative piece of legislation, vehemently objected to by the experts, industry specialists and foreign investors. The rush act inevitably resulted in provisions like 25(3) which discouraged institutional investments in this sector and created insurmountable difficulties for some of the non-banking institutions, successfully operating in Bangladesh since long, to re-

ROK PM lauds new investment climate Koreans to invest in a bigger way in Bangladesh

South Korean Prime Minister Lee Sung-soo has said in Seoul that his country's investors will invest in a bigger way in Bangladesh because of the new investment climate, reports BSS.

"There is no doubt that investors of the Republic of Korea will go to Bangladesh in a bigger way to take advantage of the new investment climate there," he said when State Minister for Foreign Affairs Abul Hasan Chowdhury called on him in Seoul on Wednesday.

The state minister now on a visit to the South Korean capital was accompanied by members of parliament Noor-e-Alam Chowdhury, Dr H B M Iqbal and A K M Mostafa Kamal, a message received here yesterday said.

Lee Sung-soo also said that his government would do everything to strengthen the bilateral relations between South Korea and Bangladesh and introduce the private sectors of both the countries to enhance cooperation.

He also expressed his firm optimism that Bangladesh would "very quickly" develop in all respects under the wise and able leadership of Prime Minister Sheikh Hasina.

The South Korean Prime Minister recalled with respect his meeting with Sheikh Hasina during the recently held World Food Summit in Rome and said her personality and intellect had greatly impressed him.

He requested Chowdhury to convey his high regards and good wishes to Prime Minister Sheikh Hasina.

Abul Hasan Chowdhury on behalf of Prime Minister Sheikh Hasina extended an invitation to Lee to visit

Bangladesh. The latter received the invitation gladly and said that he would undertake the visit at a mutually convenient time.

Chowdhury also extended an invitation on behalf of Prime Minister Sheikh Hasina to the South Korean President, Kim Song Sam, to visit Bangladesh, the message said.

Abul Hasan Chowdhury briefed Lee Sung-soo about the development in Bangladesh political and economic situation which is favourable for foreign investment.

Welcoming interest of South Korean investors in Bangladesh, he urged increased investment saying the government here had already given a 2200-acre land to a South Korean investor named 'Young-one Corporation' under an act

passed recently regarding the private sector investment zone.

The South Korean Prime Minister in response to the briefing held out the assurance that his country's government level cooperation with Bangladesh would be enhanced in the future.

He said Bangladesh was serving South Korean economic development with supply of an extremely hard-working, able and dedicated workforce. "There are some desertion which is at 29 per cent but the desertion rate is even higher with some countries from where we are importing labour," he added.

Lee Sung-soo mentioned working condition in his country as one of the reasons for desertion and said this blame must be shared by the South Korean businessmen.

He, nevertheless, assured Abul Hasan Chowdhury that his government would make efforts to recruit more Bangladeshi manpower in future and also ask the appropriate authorities to look into the recruitment system.

The South Korean Prime Minister said that all-out efforts would be made to raise the South Korean investment from the present 17 per cent to at least 30 per cent in the near future and requested Bangladesh's cooperation in this regard.

The state minister said Bangladesh would gladly cooperate in this regard.

Lee Sung-soo also offered that Bangladesh and South Korea should continue to support each other in all international matters as it did in the past with particular emphasis on elections in various international forums.

The newspaper said the Bangladesh minister brought some good news for potential Korean investors, including new trade opportunities and warmer investment climate of the South Asian nation's new political leadership. It said the new government of Bangladesh is determined to break out of the spell of poverty, overpopulation and natural disasters.

The newspaper said some 30 large-scale key industries and about 100 medium and small size industries will be accommodated once the Korean Export Processing Zone in Chittagong is operational.



Standard Chartered Bank Dhaka Treasury organised a 'Thank you Night' in honour of their regional Treasurer, Claude Lobo and local interbank treasury operators. Kazi Abdul Mazid, Vice Chairman, Bangladesh Foreign Exchange Dealers' Association (BAFEDA) was present as special guest, while Badar Kazmi, Regional Treasurer designate, and Mamun Rashid from SCB Dhaka Treasury, were present. — Star photo

Korea Herald advises companies to invest

The leading Seoul daily, the Korea Herald has said the present time seems to be an ideal time for Korean companies to seriously consider investing in Bangladesh, reports BSS.

"Timing is everything, then the present seems an ideal time for Korean companies to seriously consider investing in Bangladesh as the two countries' irrelative stages of economic development seem quite complementary," it said.

The paper, in a lengthy write-up, incorporating an interview with the State Minister for Foreign Affairs Abul Hasan Chowdhury, said Korea is currently grappling with rising wages and high land prices while Bangladesh offers a low-cost environment marked by an abundant pool of cheap labour.

In his interview, Abul Hasan Chowdhury, now on a visit to South Korea, assured the members of the Korean business community of addressing the problems being faced by the investors.

"One of the reasons I am here is to ensure Korea's business community that our government will encourage assist and welcome foreign investment, and definitely will not be an impediment in the process," Chowdhury said.

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Pakistan plans to introduce tariff reforms from '97-'98

ISLAMABAD, Nov 28: Pakistan plans to introduce tariff reforms from the next fiscal 1997-98 (July-June) but at a slow pace to protect domestic industry and without disturbing revenue collection, Commerce Minister Mohammad Zubair Khan told reporters on Wednesday, reports Reuters.

He said Prime Minister Meraj Khalid's caretaker government had no plans to start tariff reductions in fiscal 1996-97 but would soon announce incentive packages to spur industrial growth.

The introduction of tariff reduction would be gradual and it would be up to the next government to follow the same prudent policies that we adopt," he said.

Islamabad cut the maximum tariff rates to 70 per cent from 92 per cent in the 1994-95 budget and fixed a minimum rate of 10 per cent.

In early 1995, it had aimed to reduce the rates further to a maximum of 35 per cent by 1996-97 under a three-year structural reforms package with the International Monetary Fund but ditched the programme in June by not implementing agreed targets.

Khan said a committee was

working on the tariff reforms issue and examining what impact tariff reductions would have on a three-year and five-year basis on revenue collection.

"The programme that we will adopt will be based on realism and gradual," he added but gave no details.

"We are not changing anything at the present, except for removing anomalies through introducing small packages for various industries," Khan said.

On Saturday, Khan announced a package to help the ailing textile sector, lifting a five per cent customs duty on cotton import and slashing duties on polyester fibre and its raw materials, a move welcomed by the textile spinning industry.

Khan said the government also planned to introduce a new package for textile weaving, finishing and garment-making as part of removing anomalies and to spur textile industry's growth.

"Weaving, finishing and garments package would be announced very soon," he added.

He said the government had plans to reorganise the Trading Corporation of Pakistan (TCP), Export Promotion Bureau (EPB) and the Cotton Export Corporation (CEC). The role of the EPB would be enhanced to cover all aspects of trade and not just exports.

He said the reorganisation, that may include merger would be initiated in the next two weeks and completed within the period of the caretaker government, which has set new elections for February 3.

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Bureaucratic bottlenecks hold up salary of CDA staff

By Sharier Khan

Some 25 employees, including nine specialists, of the Planning Department of Chittagong Development Authority (CDA) have not been getting their salaries for the past five months due to bureaucratic bottlenecks in the ministry of Finance.

According to competent sources, the Planning Department was financed from the annual development plan (ADP) of the CDA till June last. As its budgetary provisions required transfer from ADP fund to the revenue budget after June last, a file was sent to the ministries of Establishment, Works and Finance for approval months ago.

The ministries of Works and Establishment cleared the file promptly and forwarded it to the Finance Ministry for final clearance five months ago.

The Finance Ministry okayed the file two months ago but it remained shelved instead of being sent back to the Works Ministry for execution of the new budgetary system of the CDA Planning Department, official sources pointed out.

Meanwhile 28 staffs of this department have been performing their duties without getting salaries from June last. Their salaries could not be disbursed because of the absence of the budgetary provision for this department although the CDA has its own resource and allocation for its budget.

Experts under a project covering Preparation of Structure Plan, Master Plan and Detailed Area Plan for Chittagong - began preparation of the Chittagong Metropolitan Master Plan (CMMP). In April 1992 and finalised it in March 1995. The UNDP gave Taka 10 crore and the government Taka three crore for the project which ended in June last.

The CMMP broadly sets the policy guidelines for structural and urban development plans of the port city. Three components of the CMMP include planning, transportation and drainage and flood control. It aims at involving the private sector for the first time, besides the public sector efforts.

The master plan outlines a government investment of Taka 1000 crore for drainage and flood control and another Taka 400 crore for transportation.

Shipping Intelligence

CHITTAGONG PORT
Berth position and performance of vessels as on 29/11/96 & 30/11/96

Berth No	Name of vessels	Cargo	Lport call	Local agent	Date of Leaving	Date of arrival
J/1	Norbulk Teak	Oil	Seak	Oil	22/11	28/11
J/2	Georgy	Oil	Seak	Oil	23/11	28/11
J/7	Tovstonovog	Oil	Seak	Oil	23/11	28/11
J/8	Vishva Yash	Oil	Seak	Oil	25/11	30/11
J/9	Tiger Hope	Oil	Seak	Oil	26/11	30/11
J/10	Meghna	Oil	Seak	Oil	26/11	30/11
CCT/1	Banglar Moni	Oil	Seak	Oil	26/11	28/11
CCT/2	Fong Shin	Oil	Seak	Oil	25/11	30/11
CC/1	Evra	Oil	Seak	Oil	26/11	30/11
RM/4	Da Cheng	GSSP/PSSP	JEDD	Litmond	24/11	01/12
RM/5	Sitara	HSD	Seak	ESCL	26/11	29/11
DDJ	Banglar Jyoti	Oil	Seak	BSC	R/A	28/11
DDJ/1	Tanary Star (Aftach-20/7)	Idle	Para	PSAL	7/6/95	15/12
DDJ/2	Al Swmrz	Repair	ASLL	R/A	29/11	
RM/9	Banglar Shourabh Repair	Repair	BSC	R/A	01/12	
CUFJ	Blue North (Attach 10/7)	Cement	Qing	PSAL	03/06	15/12

Vessels due at outer anchorage:

Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Loading port
Kota Biltang 18/11	28/11/96	Sing	PIL (B)	Cont	Sing
Banglar Asha	28/11/96	Sing	TS	Ballast	
Sinhung-1	28/11/96	Xing	H & H	Cement	
Banglar Robi 14/11	29/11/96	Sing	BSC	Cont	Sing
Lanka Mahapola 17/11	29/11/96	Mong	Baridhi	Cont	Col
Lhotse 18/11	29/11/96	Sing	RSI	Cont	Sing
Fong Yun 20/11	29/11/96	Sing	BDship	Cont	Sing
Tian Sheng No. 8	10/01/97	Yong	RML	Cement	
Harmony-II	1/01/97	Ilyc	Litmond	MOD	
Sun Elegance 21/11	1/12/96	Sing	PIL (B)	Cont	Sing
Leona	1/12/96	Sing	Prog	Cont	
Leona	1/12/96	Sing	TS	Wheat (F)	
Da Pu 23/11	1/12/96	Sing	APL (B)	Cont	Sing
Melene	1/12/96	Sing	UMTL	Scraping	
Susak 24/11	2/12/96	Col	Baridhi	Cont	Col
Meng Kiat 23/11	2/12/96	CEO	BDship	Cont	CEO
Costadhes	2/12/96	MOMB	ESC	Cont	
Fong Lee 27/11	4/12/96	Sing	BDship	Cont	Sing
QC Pntal 23/11	3/12/96	Sing	OCSL	Cont	Sing
Merak	4/12/96	Sing	PANA	GI	
Kota Berlaya 27/11	5/12/96	Sing	PIL(B)	Cont	Sing
Slamford 27/11	6/12/96	Sing	RSI	Cont	Sing
Banglar Mamata	6/12/96	Male	BSC	GI	Sing
Meng Yang 27/11	7/12/96	Sing	AML	Cont	Sing
Feng Tao	7/12/96	Sing	BDship	GI	
Magnus Stincer	8/12/96	Greece	AMBL	GI	
B. Moni	3/12/96				

Vessels at Kutudda:

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Morning Bright (Roro/24)	Vehi	P Kel	Oil	27/11
Aniva	CPO/CPL	Mala	TSL	R/A (21/11)
Great Cheer	Wheat (F)	Land	OWSL	25/11
Samuda	Urea	Hald	BMA	29/11

Vessels at outer anchorage:

Ready on:

Morning Bright (Roro/24) Vehi P Kel Oil 27/11
Aniva CPO/CPL Mala TSL R/A (21/11)
Great Cheer Wheat (F) Land OWSL 25/11
Samuda Urea Hald BMA 29/11

Vessels awaiting Employment/Instruction:

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Banglar Sampad	Mong	BMA	R/A (12/9)	
Zales Shari	Mong	BMA	R/A (23/11)	
Golden Sunlight	Cig	Delmare	R/A (23/11)	
Sykytykar	Cig	CNL	R/A (23/11)	
Ocean-1	Cig	Cross	R/A (23/11)	
Rafflu Saile	Cig	RSL	R/A (23/11)	

Vessels not entering:

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Hafez Prosperity No.1	Scraping	BELI	ARML	20/11
Vickie	Scraping	Mala	AMBL	R/A (21/11)
Costadhes	Cement	Yana	SBS	30/11
The Dong Gang	Cement	Lans	Delmare	26/11
TDA	MOP	Shek	AMBL	20/11
Opatija	Cement	Hald		
Xing Chang	Cement	Kore	BDship	27/11

Movement of vessels for 29/11/96 & 30/11/96

OUTGOING	INCOMING	SHIFTING
1. M Bright	B.Radi	
7. Thk Chang	Lhotse	
10. Megna	L.Mahapola	
RM/3		
ANIVA		
MR/5		
DDJ-2	Ai Sharus	
8	V. Yash	F Yun
9	T.Keg	B. Asha
CCT	Z. F. Shin	

The above are the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

CHITTAGONG STOCK PRICES

Trading resumes

Trading on the floor of Chittagong Stock Exchange resumed yesterday after two days of unexpected disruption due to demonstration by the kerb market traders, reports UNB.

Officials at the CSE, however, termed the yesterday's 45-minute transaction as a token one and hoped that the trading would start in full-swing on Saturday.

Sources said shares of 14 companies were traded during the brief transaction from 12:30 pm to 1:45 pm. Of those, four gained while 10 incurred loss.

The index of the second bourse of the country reached 1517.42 points which is 0.2603 per cent higher than that of the previous day.

Days trading performance

Company name	Closing rate	Previous rate	Difference	No of securities traded
Chic Tex Ltd	43.70	46.00	-2.30	500
Dynamic Textile	140.00	147.00	-7.00	100
Orion Infusion	600.00	631.00	-31.90	40
Beximco Fisheries	755.00	788.25	-33.25	20
Tripti Industries	2050.50	2159.50	-107.50	10
Confidence Cement	4284.50	4510.50	-510.50	20
Cig Cement	13743.00	13089.50	653.50	20
Quasem Drycells	261.00	295.50	-14.50	50
Anwar Galvanizing	576.00	606.00	-30.00	50
Olympic Industries	4004.00	3813.50	+190.50	20
Apex Tannery	1750.67	1821.50	-90.83	15
Apex Footwear	1495.00	1488.27	+6.73	22
Eastern Housing	366.50	385.50	-19.00	122
BOC (BD) Ltd	600.00	565.20	+14.80	100

CSE at a glance

CSE All Securities Price Index	1517.42
Day's Change in Index	0.26037
Total Turnover in Value in Taka	738775.00
Total Turnover in Volume	1085
Total Issued Capital in Taka	16593307590.00
Total Closing Market Capital in Taka	176892656172.7
Total Number of Listed Securities	109
Total Number of Companies	97
Total Number of Mutual Funds	9
Total Number of Debentures	4
Day's Contract Numbers	21
Day's Issues Traded	14
Day's Issues Gained	4
Day's Issues Incurred Loss	10
Day's Issues Unchanged	0

Exchange Rates

Janata Bank

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 28/11/96.

Selling	Buying			
Name of Currency	T T & B C	T T Clean	O D Export Bills	O D Transfer
US Dollar	42.6120	42.6650	42.3200	42.1541
GB Pound	71.7482	71.8322	70.6816	70.2061
D Mark	28.0511	28.0839	27.5679	27.4545
F Franc	8.2779	8.2876	8.1391	8.1056
JP Yen	0.3806	0.3810	0.3715	0.3700
S. Dollar	31.8057	31.8428	31.2667	31.1380
S. Franc	33.1809	33.2197	32.6181	32.4839

Janata Bank's selling and buying rates in cash currency for public:

SELLING	US DLR	GBP	S RIYAL	UAE DH	KU DINAR
SELLING	42.5500	70.2482	11.2000	11.2600	139.8000
BUYING	41.8000	67.9982	10.7500	10.8000	134.0500

Non-Banking Financial Institutions Act of 1993: A retrograde legislation

By Md Matiuil Islam

their duly authorised representatives of appropriate seniority and status to the Management Boards of these financial institutions. Inter-locking of different actors in the financial sector would only strengthen each other and would be beneficial for the economy.

The one-man committee report suggested that fraud, forgery and conspiracy have been abetted by an influential group to make gains through relaxation of section 25(3) of the Act. On the other hand, the only gain any investor group could make through relaxation of section 25(3) was to acquire their legitimate right to sit in the Board of the non-financial institution they have helped to create.

The Non-Banking Financial Institutions Act of 1993 is the product of an over-reaction caused by the failure of two indigenous non-banking financial institutions. Chapter III of the Reserve Bank of India Act (counterpart of chapter V, Bangladesh Bank Order of 1972, repealed, of 1972 Bangladesh Bank Order) is considered adequate in the Indian context where there are 39,000 such financial institutions in Pakistan. There are 105 such institutions