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# The Daily Star BUSINESS

THURSDAY, JANUARY 27, 1997

**HYUNDAI**  
CARS THAT MAKE SENSE

## New fertiliser distribution system in Tangail

The thana administration of Madhupur of Tangail district has introduced a new system of distributing fertilisers to farmers through pass books to ensure availability of fertiliser at a fair price and remove anomalies in this regard, says BSS.

Thana Nirbahi Officer of Madhupur Mohammad Elias introduced the system under his personal initiative following a workshop on January 8 which was attended by cross section of people including local politicians, BCIC nominated dealers and reporters and in consultation with State Minister for Foreign Affairs Abul Hasan Chowdhury, the Member of Parliament from the area.

Local officials said since the introduction of the programme namely "coordinated agricultural services project," about 25,000 pass books have been distributed among the farmers after receiving informations about them.

They said about 10,000 farmers, however, refused to furnish necessary informations and accept the pass books being afraid of facing new taxes or losing their lands. The local administration has taken up a crash programme to ensure the involvement of the unregistered farmers in the programme removing their fear.

They expressed hope that all the farmers of the area could be taken under the programme by the end of the month.

## Lacklustre trading on BSE

BOMBAY, Jan 26: Lacklustre trading and low business volumes marked the week's trading on the Bombay Stock Exchange (BSE), reports AFP.

The 30-share BSE sensitive index was up 13.27 points from the previous week and finished on Friday at 3,435.62 points. The 100-share national index was down 6.93 points and closed at 1,506.34 points.

Brokers described the poor showing to the failure by Prime Minister HD Deve Gowda to further liberalise the economy and announce further pro-market policies during his visit here a week ago.

The BSE had shot up more than 400 points in anticipation of the policies, it began slipping later.

"The market is disappointed," said stock broker Ajit Ambani.

Ambani said market sentiment was "turning weak and business volumes were also low as there did not seem to be much trading interest in the absence of clear policies from New Delhi on a number of crucial issues."

Gowda heads a centre-left coalition government whose communist partners are opposed to some of the policies of liberalisation such as the opening up of the insurance sector and slashing of subsidies.

## Eid dress fair

Suchi Shailee is holding its 2nd 'Eid Dress Fair' from January 27 to February 2, says a press release.

This time Suchi Shailee offers a wide variety of dresses including embroidered Sherees, aplice and embroidered three-pieces and 27 types of embroidered Punjabi. Besides this, the fair presents attractive shirts made of Grameen Check, hand designed Maxi and different types of glamorous Koti for Salwar-Kamiz and Punjabi. One of the main attractions of this fair is attractive baby cloths of different styles.

The fair will be held at Suchi Shailee's own premises at 82, Kakrali, Dhaka-1000, (Beside Wills Little Flower School) and will remain open from 10 am to 8 pm everyday.

LONDON, Jan 26: Coffee prices surged by almost 20 per cent this week on the London futures market, after a strike paralysed Colombia's main port, bringing an abrupt halt to shipments of the precious sacks of Colombian coffee, reports BSS.

The price of the bean has now swung decisively out of the doldrums it had been languishing in until the end of 1996.

The main producing countries this week decided to reduce their coffee exports during the first half of the year, hoping in this way to obtain a better price for their beans.

But this export limitation plan, which has been in place for several years, did not prevent prices from flourishing during the whole of last year. The market is likely to pay more attention to the poor harvest now expected in Brazil, the world's number one producer.

Elsewhere on the commodities market, aluminium has put behind it the gloom of the closing months of last year. Prices have begun to recover amid fears of shortage of metal for sale over the coming months.

**GOLD:** Selling. Gold prices came under renewed pressure on the London bullion market and fell to their lowest point since September 1993, at less than 350 dollars per ounce. A rise in the dollar and persistent

# Uncertainty over GSP for RMG export to EU Tofael leaves for Brussels to find way out

Commerce and Industries Minister Tofael Ahmed left Dhaka for Brussels yesterday on a 5-day official visit to Belgium, reports BSS.

The main purpose of the visit is to find a way out of the uncertain future in getting Generalised System of Preference (GSP) for Bangladesh garments export to European Union (EU).

LDCs including Bangladesh are enjoying GSP in exporting ready-made garments to EU countries for long as the compensatory measures taken by the developed countries under the General Agreement of Trade and Tariff (GATT) for abiding LDCs by the rules of GATT. Due to GSP provided by the EU, RMG exporters from Bangladesh are getting 12.5 per cent duty exemption in exporting to EU.

EU is the single largest mar-

ket of Bangladeshi RMG, which consumes 54 per cent of the total RMG export. This year, Bangladesh has the target of total RMG export amounting to 2.8 billion US dollars.

For qualifying for GSP, EU states are trying to impose restriction since eighties. Their only condition is related to the rules of origin criteria. They argued that for getting GSP three stage transformation from fibre to yarn, yarn to fabric and fabric to garments will be required for knitted items and two stage transformation from yarn to fabric and fabric to garments will be needed for woven products.

The need for three stage criteria for knitted items is a serious problem because Bangladesh does not produce cotton and sufficient number of spinning mills are yet to be es-

tablished to meet the growing demand to knitwear industries. Although the present government stressing the setting up to back up industries in garments sector. As a result, local and foreign investors are now investing in this sector. But this could meet only about one-third of the total demand at present.

In order to maintain uninterrupted export growth in garments sector, continuation of GSP is badly needed at least for another three years. Government and entrepreneurs in this sector hoped that the Bangladesh could achieve self-sufficiency in producing yarn for knitted items by this time.

The minister's visit to Brussels, the European Commission headquarters is to pursue the EU members to continue GSP to Bangladesh exporters for an-

other 3 to 5 years. Otherwise, export earning will fall drastically resulting in the closure of garments factories and unemployment of a million women. This may also affect the present government's poverty alleviation programme.

During the visit, besides this negotiation, the minister will hold meeting with Sir Leon Britton, Manuel Marin Vice-President of EC, Philippe Maystadt, Vice Prime Minister and Minister for Finance and Foreign Trade of Belgium and Erir Deryck, Foreign Minister of Belgium.

The minister is accompanied by the official and entrepreneurs including BGMEA President Anisur Rahman Sinha. He is expected to return to Dhaka on January 30 via London.

## Congress(I) opposes free-market policies

NEW DELHI, Jan 26: India's Congress (I) party now oppose the very free-market policies it launched six years ago, saying they have given it an elitist image, a party official said Saturday, reports AFP.

Congress spokesman Vithal Gadgil said many parliament members felt the party was defeated in elections last year as "it had acquired an elitist and anti-poor image" because of the liberalisation policy.

Congress members of parliament launched a broadside against the policies here on Friday and demanded restrictions on the entry of multinationals into the domestic economy.

New Delhi's free-market policies were initiated in 1991 by Congress President and then Prime Minister PV Narasimha Rao, following a foreign exchange crisis.

Gadgil said Congress politicians at Friday's party meeting opposed the entry of foreign airlines and of foreign media in the country.

The MPs also opposed moves to open up the insurance sector.

## Promotion of private sector industries

# Germany to provide technical knowhow

CHITTAGONG, Jan 26: Germany will provide technical expertise and know-how for promotion of private sector industries, especially sanitary fittings, toys, silk and leather products in Bangladesh, reports BSS.

This was told by a three-member special delegation of Germany on promotion for private sector project while exchanging views with the president of Chittagong Chamber of Commerce and Industry (CCCCI) Jafrul Islam Chowdhury, MP at chamber house here Saturday, a press release said.

The delegation led by Gerhard Dedorath also informed the CCCI president that a national-level workshop on development of private sector would be held in Dhaka on February 3 next following the delegation.

The Chamber president outlined different activities of the Chamber for promotion of private sector industries and said that so far the Chamber had organised 64 workshops and five industrial fairs with technical assistance from German Confederation of Small Business and Skilled Crafts (ZDH).

Later, the delegation went round different sections of the

Chamber and expressed satisfaction over its activities, the press release added.

## Turkey's foreign trade deficit doubles

ANKARA, Jan 26: Turkey's foreign trade deficit more than doubled to reaching 20.3 billion dollars in 1996, the Anatolia news agency reported, says AFP.

Unofficial figures showed that Turkey's registered exports had totalled 21.9 billion dollars and imports 42.2 billion dollars last year, it reported.

Official figures are expected to be published in March.

The 1995 figures for exports and imports were 20.1 billion dollars and 30.1 billion dollars, giving a deficit of 10 billion dollars.

Analysts said that imports had risen mainly as a result of a lifting of trade barriers with European Union countries under a Customs Union Agreement with the EU which took effect on January 1, 1996.



Leader of the visiting UK trade team Sir Martin Laing who is chairman of the British Overseas Trade Board, speaking at a meeting with the members of the Dhaka Chamber of Commerce and Industry at the DCCI auditorium yesterday. DCCI President ASM Quasem and British High Commissioner in Bangladesh David C Walker are also seen. —Star photo

## Cotton output meets 16pc of requirement

Bangladesh produces over 90,000 bales of cotton or 16 per cent of the country's total requirement. Executive Director of Bangladesh Cotton Development Board (BCDB) told BSS here yesterday.

Tafzir Uddin Siddiqui, the BCDB chief said annual requirement of textile mills is 5.5 lakh bales.

The Cotton Board was established on December 14, 1972, following a directive from Bangabandhu Sheikh Mujibur Rahman but it started field-level activities from the year 1977.

The BCDB chief said, in the year 1977, only 1,400 bales of American cotton were produced on 3,000 acres of land.

He said the board had introduced American cotton (Gossypium Hirsutum) in the country at that time.

However, he said the cotton production has gradually increased manifold during the last 20 years and production reached 90,500 bales (one bale=145 kg) in 1996.

The price of 90,000 bales of cotton at international market was Taka 139 crore.

The director said aphids, jassids and cotton bollworms are major cotton pests in

Bangladesh. The scientists working with the Board have innovated two 'jassids' resistant cotton seeds. These seeds give 40 per cent more cotton after the ginning.

Ginning, is the process of separating raw cotton from the seeds, the cotton without ginning are called "seed cotton" while after the processing it is called "Lint Cotton".

The Cotton Board chief said to avoid cross-pollination and to ensure quality of seeds, the board is running three cotton-seed farms located at Sripur (Gazipur), Sadarpur (Dinajpur) and Jagadishpur (Jessore).

European Commission in a recent report on cotton farming in Bangladesh said the country could boost the cotton production by extending the cultivation in more than 6 lakh acres of land.

## Parliament okays Polish budget

WARSAW, Jan 26: Polish parliament approved the 1997 national budget, which is described as 'the best one' in recent years, reports Xinhua.

## IMF loan payment to Russia may be delayed

MOSCOW, Jan 26: Payments on an International Monetary Fund 10 billion dollar loan to Russia may be delayed after fund officials said Friday they had not finished reviewing the country's recent economic performance, reports AP.

A mission from the IMF left Moscow Friday after reviewing Russia's performance under the three-year loan deal. The mission was preparing a report on whether to release two 340-million dollar installments of the loan.

"The mission has left and we still have to work on the assessment," IMF Moscow Representative Thomas Wolf said. "We're assuming it'll be completed in a few days."

Wolf refused to comment on the substance of the review.

Sergei Aleksashenko, the first deputy chairman of Russia's Central Bank who worked with the IMF team, said Thursday he expects the IMF to release the money soon.

Russian sources close to the talks said the IMF is pushing the government to move quickly on key structural reforms, in particular liberalising the natural gas and electricity sectors, and improving the welfare and pension systems.



American Express Bank Limited Bangladesh arranged and lead-managed a Tk 20 crore syndication of a seven-year term loan of Padma Textile Mills Limited for its expansion of 50,400 spindles at Gazipur on January 20. Prime Bank and Southeast Bank were sub-participants in this syndication pioneered by American Express Bank's Corporate Finance Team. AEB is to provide support to local business houses for the long term development of the economy and foresees arranging similar deals in 1997. Seen in the picture (from L to R-sitting) are Syed Anisul Huq, Managing Director of Southeast Bank Limited, M Lutfor Rahman, Senior General Manager of Padma Textile Mills Limited, Steven R Brittain, General Manager of American Express Bank and Abdur Rob of Prime Bank Limited at the loan signing ceremony.

# Commodity market: Gold, oil, tea fall over week

pessimism among investors with regard to the precious metal depressed market sentiment.

An analyst from London-based trading house GNI said that the dollar's rally had been "pressuring gold." The green-back firmed sharply against other major currencies over the week, making gold (which is quoted in dollars) more expensive for non-US investors.

Rumours of gold sales by European central banks to help their governments meet the debt criteria for the single European currency have again surfaced on the market.

The Dutch central bank, which recently announced the sale of 300 tonnes of gold, or about one fifth of its reserves, might decide to sell a further 200 tonnes, GNI said.

The plunge in gold prices has been so severe that mines in South Africa could start to cut production, as extraction costs overtake the market price of the precious metal.

Towards the end of the week, however, gold prices recovered a little, encouraged by silver's sparkling performance, to 353 dollars per ounce, down one dollar over seven days.

**SILVER:** Speculative. A wave

of buying by US investment funds drove the price of this precious metal to a two-month high, at 4.95 dollars per ounce, up 20 cents from the previous week.

This sudden rally appeared to be for purely technical reasons.

**PLATINUM:** Weak. Platinum followed in gold's wake, losing two dollars to 358 dollars per ounce.

**COPPER:** Firm. The three-month delivery price of this metal, used extensively in the construction industry and to make electrical wires, held firm at 2,250 dollars, underpinned by a shortage of supplies for sale on the cash market, especially in Europe.

But analysts believe that this is only a temporary phase and this "tightness" will soon be a distant memory.

A strong rise in official stocks held by the London Metal Exchange (LME) should help to ease the market short-fall. LME stocks rose by more than 10 per cent over the week to 156,000 tonnes.

**LEAD:** Lighter. Lead prices fell slightly by five dollars, but remained above the 700 dollar level, at 705 dollars per tonne. The market took some cheer

from a fall of 2,175 tonnes in LME reserves to 1,14,500 tonnes.

**ZINC:** Flat. The price of zinc, a metal mainly used in anti-corrosive treatments, remained fairly stable after last week's rally, at around 1,140 dollars per tonne, a high for almost two years.

Zinc prices, which for months had varied little, had shot up suddenly during the previous week after a sharp drop in LME market stocks.

This week, LME reserves fell more modestly, losing 2,650 tonnes to 483,700 tonnes.

**ALUMINIUM:** Rise. Aluminium prices rose by 25 dollars to their highest level since May 1996 at about 1,640 dollars per tonne.

Dealers reacted to low stock levels in the far east, where consignments from Russia have reached a low point, and in the United States.

London metals analyst Tony Bird said that after "the low prices seen at the end of 1996, tightness of supply and strong demand are set to push prices higher."

**NICKEL:** Brittle. Nickel prices remained unchanged at about 7,350 dollars per tonne. A fall of 948 tonnes in LME stocks

to 48,828 tonnes had little impact on the market.

Analysts at billion metals said that he surge in nickel prices at the start of 1997 was due solely to speculative purchases and had nothing to do with the fundamentals of the market.

**OIL:** Slump. Crude dealers have been dreaming about the end of biting winter weather in the Northern Hemisphere and the glimmer of light at the end of the season's dark tunnel caused Brent North Sea oil prices (for delivery in March) to fall by 40 cents to 22.35 dollars per barrel.

Oil prices have been inflated by rock-bottom stocks in the United States, which is far and away the thirstiest consumer country in the world.

Dealers quoted Turkish military sources as saying that the oil pipeline between Turkey and Iraq had been targeted by Kurdish separatists, but the alleged attack had no impact on pumping operations.

**RUBBER:** Sticky. Rubber prices stuck at 782.5 pounds per tonne, amid quiet trading and plentiful stocks on the London market.

**COFFEE:** Cooling. Speculative selling took the heat out of the

cocoa market this week and prices fell by five pounds to 885 pounds per tonne in London.

A fall in the value of the pound, which should have increased demand for sterling-denominated contracts on the London market, had little impact on prices.

**COFFEE:** Boiling. Coffee prices bubbled up by almost 20 per cent on the wings of speculative purchases on the London futures market, as dealers feared a fall in exports from key producer countries. The price of robusta coffee, which comes mainly from Africa and Asia and is widely used in the manufacture of instant coffee, surge to its highest point since September 1996 at about 1,600 dollars per tonne.

Strike action at the sea port of Buenaventura, where consignments of the world's second most important producer country, Colombia, emerge onto the Pacific export market, sent tremors through dealing rooms here.

**TEA:** Iced. The price of medium quality teas fell by four pence to 103 pence per kg in the London auction houses. British dealers noted, however, that the last shipments of high-grade Assam brews to come on to the

## Coming AGMs

Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
Chittagong Cement	01/03/97-20/03/97	AGM	20/03/97	Hotel Agrabad Ctg 10 am	18.2 20
Tripti Ind	19/1/97-30/1/97	AGM			1R2Pr & Tk 1000
BD Zapper (Debt)	15/01/97-31/01/97	AGM			1R1 (Pr & Tk 125)
Orion Infusion	27/01/97-03/02/97	AGM	03/02/97	Hotel Sonargang, 10 am	1R2 (at par) 17
BOC Ltd	05/01/97-02/02/97	AGM	02/02/97	Sonargang Hotel 2 pm	1B5 30
Rahim Textile	19/01/97-30/01/97	EGM	30/01/97	Sahaj Community Centre 11 am	
Rupali Bank	05/02/97-02/03/97	AGM	02/03/97	Sonargang Hotel 10 am	
National tube	01/03/97-25/03/97	AGM	25/03/97	Factory Premises 11 am	18.2 15
Eastern Cables		AGM			18.5
BD Luggage (debt)	16/02/97-04/03/97	(Half yearly interest)			10
Bex Synthetic (debt)	16/02/97-28/02/97	(Half yearly interest)			

## PEREGRINE BANGLADESH INDEX

**Sunday's market comment**

The PBI gained 0.73% for the day to close at 925.95. Trading was bullish as 18 issues advanced over five losers. Two issues remained unchanged. Eastern Cables was the best performer of the day as it jumped almost 15% following dividend and bonus announcement. The blue-chips also performed well as Apex Tannery (+7.35%), Beximco Pharma (+3.44%), and Monno Ceramic (+2.89%) registered solid gains. The financial stocks gained on retail demand as IDLC and ULC appreciated by 5.3% and 4.9% respectively. In the minus column, Apex Foods was on top dropping almost 10% on very low volume (five shares) followed by BTC which shed 2.6% under institutional selling pressure. Chittagong Cement and Shine Pukur did not trade in the absence of any buyers.

## Exchange Rates

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 26/01/97

Selling	Buying
Name of Currency	T.T. & O.D. Clean Export Bills Transfer
US Dollar	42.6120 42.6650 42.3200 42.1541 42.0455
GB Pound	69.6122 69.6937 68.5761 68.2939 68.1148
D Mark	26.2796 26.3103 25.8391 25.7328 25.6653
F Franc	7.7925 7.8015 7.6591 7.6276 7.6076
JP Yen	0.3626 0.3631 0.3540 0.3526 0.3516
C Dollar	31.7538 31.7909 31.2157 31.0872 31.0057
S Franc	30.4660 30.5016 29.9396 29.8164 29.7381

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

SELLING	US DLR	GBP	S RYAL	UAE DH	KU DINAR
BUYING	42.6000	68.6122	11.5500	11.5500	140.0000
	42.0000	65.8622	11.0500	11.0500	134.5000

## Shipping Intelligence

**CHITTAGONG PORT**  
Berth position and performance of vessels as on 26.1.97

Berth position and performance of vessels as on 26.1.97						
Berth No.	Name of vessels	Cargo	L. port	Local agent	Date of Leaving arrival	
J/1	Bintang Harapan	G	Sing	Prog	15/1	26/1
J/4	Fu Ping	G	Sing	Prog	7/1	26/1
J/5	Petko R Slavetkov R Seed	R Seed	Col	AASS	11/1	30/1
J/6	Globe Trader Gi (C.Pea)	Sing	Sing	Seacom	12/1	30/1
J/7	Fujishan Maru	Wheat	Sing	AASS	10/1	1/2
J/8	Banglar Gourab	G	Chin	BSC	R/A	28/1
J/9	Al Mustuba (48)	G	Bomb	CLA	20/1	28/1
J/10	Mirna	G	Sing	UMTL	14/1	31/1
J/11	Xuan Cheng	Urea(G)	UMMS	Litmond	13/1	30/1
J/12	Stamford	Cont	Sing	FSL	23/1	27/1
J/13	Meng Kiat	Cont	Sing	Bodip	23/1	27/1
CC/1	Kota Bintang	Cont	Sing	PHI(BD)	24/1	28/1
CC/2	Susak	Cont	Col	Baridhi	21/1	25/1
CC/3	Meng Yang	Cont	Sing	AML	22/1	26/1
CC/4	Meece-1	Cont	Bomb	BSC	21/1	26/1
CC/5	Shinbung-2	CSSPP	Sing	RRSA	17/1	30/1
DD/1	Tanary Star	IDE	Para	PSAL	7/6	31/1
RM/9	Banglar Mont	Repair	Mong	BSC	15/1	30/1
CUL/1	Blue North (Atch. 10/7)	Cement	Qing	PSAL	3/6	31/1

**Tanker due:**

Andrea	28/1	Sing	ESCL	HSD/JP-1
Ervilia	29/1	Sing	ESCL	SKO/MS

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