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HYUNDAI
CARS THAT MAKE SENSE

Performance of 4 major sectors poor during July-March period Export earnings still short of target by Tk 65cr

By Govinda Shil

The export earnings from the four major items — ready-made garments, frozen foods, jute and leather goods — fell short of the target by Tk 1,281 crore during the first nine months of the current fiscal year.

During the July-March period of the current fiscal 1996-97, the country fetched Tk 13,731.78 crore from exports as against its target of Tk 13,797 crore showing a deficit of about Tk 65 crore. A robust performance in other sectors has helped minimise the gap between targeted and actual export earnings to a large extent, EPB sources said.

Exporters now blame the past political stalemate for the 'dismal picture' in these principal sectors.

Dr. Aftabuzzaman, General Secretary, Bangladesh Frozen Foods and Exporters Association, told The Daily Star that most of the processing plants have been lying idle for the last two years due to lack of shrimp fries, proper financing and other problems. This has pulled the sector's export figures down, he observed.

A leading apparel exporter said that buyers, who left the country in late 1995 and early

'96, still feel shy to come back here.

AHM Rahmatullah, President of the Bangladesh Finished Leather Goods Exporters Association, also blamed the past political stalemate for the fall in export in the leather sector.

However, the Export Promotion Bureau (EPB) hopes that export performances may improve in the future if the current trend in export activities continues.

The estimated earning target from ready-made garment sector during the nine-month period was set at Tk 7,245 crore,

but the sector actually fetched Tk 6,724 crore, showing a deficit of about Tk 520 crore.

Leather, another major greenback earner for the country, fetched Tk 579.60 crore against a target of Tk 865.20 crore, showing a deficit of Tk 285.60 crore. Frozen foods experienced a shortfall of Tk 264.60 crore, earning Tk 1,058.40 crore against a projected Tk 1,323 crore earning.

Jute goods, once renowned in the world market and was called 'golden fibre', also failed to achieve its target, it fetched Tk 1,050 crore out of its target of Tk 1,260 crore.

FBCCI chief urges politicians Uphold economic activities above all interests

By Staff Correspondent

Federation of Bangladesh Chambers of Commerce and Industry President Yussuf Abdullah Harun yesterday urged politicians of all beliefs to uphold economic activities above all interests.

He urged the government to take stern measures to remove bureaucratic bottlenecks, revamp the banking and power sectors and the privatisation process.

At a businessmen's conference in the city, the FBCCI chief requested the government to broaden the base of income tax which would result in relaxation of tax burden.

The conference attended by Prime Minister Sheikh Hasina, Finance Minister SAMS Kibria and Commerce Minister Tofel Ahmed, was participated by business and chamber leaders from different corners of the

country.

Yussuf Abdullah Harun said that irregularities in the banking sector had took serious shape. 'Nearly 40 per cent of bank loan (for Tk 15000 crore) are non-performing,' he said, adding, 'the problem of the banking sector lies not with liquidity but with their management'.

Drawing a grim picture of the country's economy which was heavily burdened by a subsidy of Tk 2500 crore for the public sector, the FBCCI chief identified bureaucratic bottlenecks as one of the main hindrances to development.

Quoting a World Bank study he said, 'to get an electric connection, an industry requires approval of 66 officials and spend three to four months. Unofficial dues (toll) of Tk 40,000 need to be spent, if one

does not spend that money, his connection will take infinite time for installation.'

He further said, 'the cost for transportation of goods to the Chittagong and Mongla ports is two to three fold higher than that in any other Asian countries.'

Other business leaders present there urged the government to ensure a strike-free modern port.

They also suggested the government to formulate a package of incentives for investing in different districts across the country. This would help industrialisation in different areas as well as stop migration of rural poor to Dhaka city.

The business leaders further urged the government to revamp the National Board of Revenue in order to remove corruption from there.

US investment rises six times in 6 months

American investment in Bangladesh has increased six times in the last six months, reports UNB.

This was disclosed by FBCCI President Yussuf Abdullah Harun at the businessmen's conference here yesterday.

He said US Ambassador in Bangladesh told them a few days ago that US investment rose to Taka 1,200 crore from Taka 200 crore six months back.

Besides, investment proposals for Taka 4,360 crore (one billion US dollar) were under consideration of the government, Harun said in his written speech at the conference.

He said South Korea had already invested Taka 1,100 crore in its private EPZ in Bangladesh.

That industrialists during their recent visit here had expressed their willingness to relocate some labour-intensive industries from their country, he told the meeting.

World Bank's loan disbursement up in 7 months

The World Bank has released 168.56 million US dollars for its investment projects in the first seven months of this fiscal against 111.85 million dollars in the corresponding period of last fiscal, reports BSS.

The World Bank sources said the disbursement compared favourably with overall disbursement performance of the previous financial year for the same period mostly due to large disbursement under non-agricultural projects.

The source said the Bank during the period disbursed 42.19 million US dollars in the agricultural sector and 126.37 million dollars in non-agriculture sector.

However, the Bank has drew the attention of the implementing agencies to the continued slow disbursement during the period to some projects under different sectors including urban development, power distribution system rehabilitation, agriculture support services, technical assistance and integrated nutrition.

National seminar on rural credit operation today

A day-long national seminar on 'rural credit operation for employment promotion' will be held at BIMB seminar hall of Bangladesh Institute of Bank Management at Mirpur in the city today, says a press release.

Dr. Muhiuddin Khan Alamgir, State Minister for Planning and Civil Aviation and Tourism, will inaugurate the seminar as chief guest while Lutfar Rahman Sarkar, Governor of Bangladesh Bank, will attend the function as Special Guest.

Shareholder sues 4 former top executives of Nomura Co

TOKYO, May 3: A shareholder sued four former top executives of Japan's largest securities company Friday for the 70 million yen (555,000 dollars) they allegedly paid to racketeers, says AP.

The company, Nomura Securities Co., has been devastated by a scandal over shady stock deals allegedly made for racketeers, known as sokaiya, threatening to disrupt shareholders' meetings.

The class action suit, filed by an unidentified woman on behalf of all 120,000 shareholders, demands that the four executives put the money they allegedly used back into the company.

The four men named in the suit, filed in Tokyo District Court, are Hideo Sakamaki, former Nomura president, and three former managing directors — Shimpei Matsuki, Jiro Takeshi and Nobutaka Fujikura.

Rupali Bank holds workshop for executives

Rupali Bank Training Institute (RBTI) arranged a six-day workshop for mid-level executives of the bank in the city beginning yesterday, says a press release.

The inaugural session was addressed by AKM Nazmul Haque, Managing Director of the bank as chief guest.

The session was also attended by Dr. Jadab Chandra Saha, General Manager of the bank as special guest and presided over by Ayub Ali Chowdhury, Deputy General Manager and Director RBTI.

In his speech Haque stressed the need for concerted efforts of all the executives to ensure profitability of the bank by ensuring transparency, professionalism and discipline at all levels.



A 10-member delegation from China and Hong Kong visited Chittagong Stock Exchange recently. Tian Jin Qi, leader of the team is seen with CEO AGM Shamsul Kamal.

Int'l seminar on rural infrastructure opens

LGRD and Cooperatives Minister Zillur Rahman yesterday inaugurated an international seminar on 'Planning and implementation of rural infrastructure development projects,' describing an efficient and balanced physical infrastructure as indispensable for bringing about dynamism and sustenance of economic development, reports BSS.

Dwelling on the importance of rural infrastructure development pursuant to eradicate poverty from the global society, the minister said the process of physical infrastructure development has gradually been promoted throughout the world. Bangladesh is not lagging behind in this respect, he added.

Sponsored by the Local Government Engineering Department (LGED) in cooperation with the Islamic Development Bank (IDB), the four-day seminar is being participated by 16 member countries of the IDB.

The countries are Uganda, Turkey, Jordan, Egypt, Pakistan, Iran, Kazakhstan, Albania, Kirgizstan, the Maldives, Azerbaijan, Sudan, Turkmenistan, Uzbekistan, Tajikistan and host Bangladesh.

Presided over by the Local Government Division Secretary AHM Abdul Hye, the function was also addressed by the State Minister for LGRD and Cooperatives, Alhaj Syed Abul Hosain, Chief Engineer of the LGED Quamrul Islam Siddiqui and LGED Project Director Md. Lokman Hakim.

Pointing to the objective situation in Bangladesh which has the highest density of population in the world marked with widespread poverty and unemployment, the LGRD Minister said the present government has initiated different programmes, with top most priority, to alleviate poverty.

He said Prime Minister Sheikh Hasina has announced that the present democratic government was pledge-bound

to provide the basic needs of the people.

The minister said considering the importance of physical infrastructure in the national economic activities, the government has given specific guidelines for increasing production, development of communication network linking the remote villages through expanding roads and bridges.

As per guidelines, the minister said, the Planning Commission was working out strategies to accelerate the economic growth with an appropriate infrastructure under the five-year plan.

The minister said development of a sound physical infrastructure, friendly and complementary to agricultural development, was the most important national programme. He said the LGRD and Cooperatives Ministry was relentlessly striving to develop physical infrastructures, particularly the growth centres.

The minister said that the construction of roads and bridges, hat-bazars and farm and non-farm activities generated employment opportunities and income of the rural poor.

He categorically said that the present government would fulfil its commitment of the rural Bangladesh based on economic growth and equity. The development of physical infrastructure would always get priority because, he added, there was no alternative to improving the condition of the economically and socially isolated villages.

He expressed the hope that the participating countries during their deliberations in the four-day seminar would formulate proposals for improvement of planning, implementation and management of rural infrastructure development projects.

US unemployment rate plunges to 24-year low

WASHINGTON, May 3: The US unemployment rate plunged to its lowest level in 24 years in April, but declines in wages and the number of new jobs pointed to slower economic growth in the next two months, reports AFP.

Share prices on Wall Street rallied on the Labour Department report, which appeared to decrease chances of a tightening in credit by the Federal Reserve. The Dow Jones industrial average shot up 48 points at midmorning before giving up some of the gains near mid-day.



US Trade Representative Charlene Barshefsky (R) speaks at press conference marking the end of two-day Quadrilateral Trade Ministers Meeting. From L-R are: Art Eggleton, Canadian Minister for International Trade; Sir Leon Brittan, Vice-President of the European Commission and Commissioner for Commercial Policy; and Japan's Minister for International Trade, Shinji Sato. The four were in Toronto, Canada, taking part in meetings to explore key world trade and investment issues. — AFP/UNB photo

Labour inherits fundamentally healthy economy, but ...

LONDON, May 3: Britain's new Labour government on Friday inherited an economy that is fundamentally healthy but it faces some tough policy decisions, possibly within days of taking office, reports Reuters.

Defeated prime minister Major spoke the truth when, announcing his resignation, as Conservative Party leader outside 10, Downing Street, he said: 'The economy is booming, interest rates are low, inflation is low and unemployment is falling'.

But many economists believe the country may be at a critical turning point.

The Bank of England says the inflation warning lights have been at red since late last year and has been pressing for interest rates to be raised from the present 6.0 per cent.

New Finance Minister Gordon Brown is due to hear bank governor Eddie George's views in person at their first scheduled monetary policy meeting

next Wednesday.

'Labour inherits an economy that is in serious danger of overheating this year and next year unless action is taken soon to curb economic growth,' said David Walton, Director of UK Economic Research at Goldman Sachs.

'Although the appreciation in sterling will hit the manufacturing and external sectors, interest rates still seem too low to curb the excessive buoyancy in consumer demand'.

The problem with raising interest rates is that it could make life even more difficult for British industry, which is already struggling to sell its goods abroad because of a surge in the value of the pound since last summer.

Some economists therefore argue that a fiscal tightening — either raising taxes or cutting public spending — would be a more appropriate method of cooling the economy down without putting upward pressure on the pound.

'What the UK really needs is a windfall tax on households, not on the corporate sector', economists Glenn Davies and Andrew Smith of credit Lyonnais wrote in an election commentary.

They were referring to Labour's only concrete tax-raising pledge — to levy a once-off 'windfall tax' on the profits of privatised utility companies and use the money to take 2,50,000 young people off the unemployment register.

Labour has tied its hands to some extent on personal taxation by ruling out any increase in income tax rates. It has also pledged to live within tough spending limits laid down by the Conservatives for the next two years.

There is still considerable scope for tax-raising measures', the Credit Lyonnais economists wrote.

Lanka increases thermal power generating capacity

COLOMBO, Sri Lanka, May 3: Sri Lanka has increased its thermal power generation capacity and the government said Saturday that country will not suffer from long electricity outage that affected economic growth last year, reports AP.

'I can confidently say that power cuts and shortages are now a thing of the past,' said Thilan Wijesinghe, director general of the Board of Investment of Sri Lanka.

A prolonged drought which forced nationwide power cuts was partly responsible for slowing growth to 3.8 per cent in 1996 compared with 5.5 per cent in 1995, the Central Bank reported this week.

The manufacturing sector, led by garment and textile factories, was the largest contributor to GDP, with 35 per cent. But production was hampered due to nationwide power cuts imposed mid-year in a desperate effort to save electricity.

Exchange Rates

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 03/05/97:

	Buying		
	TT	OD Sight	OD
US Dlr	43.5200	43.3522	43.2386
GB Pnd	70.2272	69.9400	69.7566
D Mark	25.0347	24.9323	24.8669
F Franc	7.4244	7.3940	7.3746
JP Yen	0.3420	0.3406	0.3397
C Dlr	31.3500	31.2218	31.1399
S Franc	29.4285	29.3082	29.2314

Name of Currency	Selling	
	T.T. & O.D.	B.C.
US Dollar	43.8120	43.8650
GB Pound	71.2602	71.3413
D Mark	25.4598	25.4887
F. Franc	7.5500	7.5585
JP Yen	0.3499	0.3503
C.Dollar	31.8755	31.9117
Franc	99.9313	99.9653

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

	Selling	Buying
US Dlr	43.8500	43.3500
GBP	70.2600	68.2600
S Riyal	11.8000	11.4000
UAE Dh	11.8500	11.3500
Ku Dinar	143.5000	138.0000

Coming AGMs					
Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
Rectil & Colman	19/04/97-08/05/97	AGM	08/05/97	—	35
Modern Ind	22/04/97-04/05/97	AGM	04/05/97	Hotel Purbani, 3.30pm	7 (F)
Delta Life Ins	—	EGM	24/05/97	Hotel Purbani, 10am	—
United Ins	23/04/97-13/05/97	AGM	13/05/97	Hotel Sonargon, 4pm	—
Phoenix Ins	—	—	—	—	30
Monno Ceramic	24/04/97-07/05/97	AGM	07/05/97	Factory Compound Dhamrai, Dhaka, 9am	30
Alpha Tobacco	23/05/97-29/05/97	AGM	—	—	20 (I)
Abhee Textile	03/05/97-07/05/97	AGM	—	—	2R5 (A per)
Bata Shoe	04/05/97-03/06/97	AGM	03/06/97	Factory Premises Dhamrai, 10.30am	220
Reliance Ins	—	AGM	18/05/97	Ball Room Hotel Sonargon	—

Shipping Intelligence

Chittagong Port									
Berth Position and Performance of Vessels as on 3-5-97.									
Berth No	Name of Vessels	Cargo	L Port	Local Call	Agent	Date of Arrival	Leaving		
J/1	Ritz	GI	Tuti	Cross	24/4	3/5			
J/3	Banglar Maya	GI	Male	BSC	R/A	-			
J/4	Nicolas IK	GI	Visa	Oil	25/4	3/5			
J/8	Western Progress	Cement	Lans	PSAL	12/4	5/5			
J/11	Georgi Dimitrov	Cement	Sing	Delmure	20/3	4/5			
J/12	Fong Lee	Cont	Col	BDSHP	1/5	-			
CCT/1	Kota Bintang	Cont	Sing	Pu (BD)	2/5	-			
CCT/3	QC Teal	Cont	Sing	QCSL	2/5	-			
RM/14	Meng Yang	Cont	Sing	QCSL	2/5	-			
RM/15	Wan Ru	C Clin	Sing	AML	25/4	5/5			
RM/16	Qing Teal	Cont	Sing	QCSL	2/5	-			
RM/3	Chemsilion	CPO	P Kel	Rainbow	30/4	-			
RM/6	Timashevsk	HSD	Mesa	ECSL	26/4	5/5			
DQJ	Sea Concert	Cement	Sing	Bright	21/4	5/5			
DD	Banglar Jyoti	Repair	-	BSC	R/A	8/5			
DDJ/1	Tanary Star	Idle	Para	PSAL	8/6	-			
RM/8	Mantis	Repair	Mumb	Cross	15/4	8/5			
RM/9	Banglar Kiron	Repair	-	BSC	R/A	-			
CUFLJ	Blue North	Cement	Qing	PSAL	3/6	-			
Kafco(U)	Al Quamar	Urea	-	BSL	R/A	-			
Kafco (A)	Sea World	Urea	Mong	Saffron	25/4	6/5			

Vessels due at outer anchorage					
Name of Vessels	Date of Arrival	Last Port	Local Agent	Cargo/Loading	Port
Freesia 24/4	3/5	Sing	RSL	Cont	Sing
Meng Kiat 22/4	3/5	Sing	AML	Cont	CEO
Fong Shing 10/4	5/5	Sing	BDSHP	Cont	Sing
City of Lome	3/5	Hald	RSA	GI (Cont)	-
Oriental Way	4/5	Mong	OTEL	-	-
Topaz	3/5	Sing	PSAL	Cement	-
Lian Sha 16/3	6/5	Sing	BDSHP	Cont	Cal
Kota Selamat 26/4	4/5	Sing	Pu (BD)	Cont	Sing

Vessels at Kutubdia					
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	
Ismaya	-	-	-	B Bay	9/1
Orizont	-	-	-	B Bay	25/2

Vessels at outer Anchorage ready on					
Name of Vessels	GI/CL	Bela	BDSHP		
Feng Qing	GI/CL	Bela	BDSHP	2/5	
Banglar Moni	Cont	Sing	BSC	3/5	
Bangla Kallol	GI	Mong	BSC	3/5	

Vessels not Ready					
Name of Vessels	Wheat (G)	ENGL	RSA		
Arcadia	Wheat				