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# The Daily Star BUSINESS

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## Tremor affects agri systems in Iran

QAEEN, Iran, May 12: Saturday's powerful earthquake caused considerable damage to agricultural irrigation systems in Iran which is bound to affect food production, including wheat crops, the United Nations said, reports Reuters.

In an appeal for international assistance of behalf of Iran, the United Nations said in a statement late on Sunday that no official report had yet been released on the extent of damage to roads, electricity and water networks, government buildings, hospitals and schools.

However, early information indicate considerable damage, also to the qanat system (traditional irrigation) which will inevitably affect the local agriculture of fruits, saffron, barley, wheat and other cash crops. There is as yet no report on the damage to livestock, mainly sheep, it said.

Saturday's earthquake in the republic's eastern Khorasan province, which measured 7.1 on the Richter scale, killed some 2,400 people and displaced some 50,000.

## Dollar plunges against yen

TOKYO, May 12: The dollar plunged against the yen in mid-afternoon Tokyo trading on Monday, but with most investors sidelined following the extreme volatility of recent trading, dealers said, reports AFP.

The dollar settled into a narrow range following comments by Japan's Finance Minister Hiroshi Mitsuoka, who said the dollar's falls were expected to slow soon.

At 2 pm (0500 GMT), the dollar traded at 118.93 yen, down from 120.05 yen in New York late Friday and 122.84-87 yen in late trading here on Friday.

After opening at 119.00-03 yen, the dollar dropped to as low as 117.50 yen on selling by players attempting to cut possible losses from further declines in the US currency.

But the dollar rebounded moderately later in the day after Mitsuoka said the dollar-yen exchange rate would soon settle down.

Dealers said buying of the dollar by importers emerged after initial selling of the currency slowed. But they added that the dollar's upside remained extremely heavy.

## ASEAN ministers concerned about yen's sharp rebound

FUKUOKA, Japan, May 12: Finance ministers from the Association of Southeast Asian Nations (ASEAN) said Sunday they were concerned about the yen's sharp rebound against the dollar last week, Japanese officials said, reports AFP.

"Fluctuations in foreign exchange rates weigh on my mind," that Finance Minister Annuay Viravan was quoted as saying during a meeting with Japanese counterparts Hiroshi Mitsuoka and other ASEAN ministers here.

It was, however, not clear whether he was talking about the Japanese currency or his own, which has recently suffered sharp declines.

Japanese officials said Clifford Herbert, Secretary-General of the Malaysian finance ministry, was more direct during the talks, held on the sidelines of the annual meeting of the Asian Development Bank (ADB).

"The yen's rapid rise is troublesome," Herbert was quoted as saying, Malaysia has a large sum of outstanding yen loans, and a higher yen would increase the nation's repayment burden.

Philippine Finance Secretary Roberto de Ocampo and Indonesian Finance Minister Mari'e Muhammad expressed similar concerns, officials said.

## IATA rates Indian Airlines 6th most accident-prone service

NEW DELHI, May 12: The International Air Transporters' Association (IATA) has rated India's state-run domestic carrier the world's sixth most accident-prone airline, a parliamentary claimed Friday, reports AFP.

Parag Chahla of the regional Asom Gana Parishad Party told parliament that although Indian Airlines did not accept IATA's rating as valid, the government should improve safety standards of the domestic carrier.

The IATA has included Air Lanka, Pakistan International Airlines and Indian Airlines among the most accident-prone service.

The state-run Indian Airlines, which flies 31,000 passengers on 26 domestic and 10 international destinations, has suffered 16 crashes since its inception in the 1950s.

## Kibria tells ADB meeting Dhaka firm to maintain macro-economic balances

Finance Minister Shah AMS Kibria said the government is taking effective steps for development of the country's capital market and reforms in financial sector.

"The government recognises the urgent need for developing the capital market and reforming the financial sector, and steps are already being taken," he told the ADB board meeting yesterday.

Addressing the 30th annual meeting of Board of Governors of the Asian Development Bank at Fukuoka in Japan, Kibria referred to the bold initiatives and policies undertaken by the government of Sheikh Hasina for reform and restructuring of Bangladesh's economic system.

He expressed the government's firm determination to maintain macro-economic balances and stability through prudent fiscal, monetary and balance of payments management.

Kibria further said that the

government is committed to continue with liberalisation efforts and deregulation and pursue export-led growth strategy.

The government recognises the urgent need for developing the capital market and reforming the financial sector for which steps are already being taken, he said.

The Finance Minister also highlighted the government's efforts to ensure conducive atmosphere and incentives to attract foreign investment that has already received encouraging response in sectors like power, gas and telecommunications.

Referring to global economic scenario, Kibria stated that the country was passing through a crucial time of economic transition and global economic restructuring.

Although the developing market economies have adopted export-led growth strategy and broad policies of liberalisations, wide disparities



Figures of a board flashed 118.20 yen, against the US dollar during the morning session at a foreign money brokerage in Tokyo yesterday. The dollar was off lows against the yen in the morning in Tokyo on soothing comments by Japanese Finance Minister Hiroshi Mitsuoka, after dropping to 117.50 earlier in Sydney. — AFP/UNB photo

## Most currencies rise against dollar in Asia-Pacific region

HONG KONG, May 12: Major currencies in the Asia-Pacific region were up against the dollar, with the Japanese currency gaining four yen to the greenback amid remarks by officials favouring intervention, reports AFP.

**Japanese yen:** The yen rallied nearly four yen to the dollar on a series of remarks by officials supporting moves to strengthen the unit to check a resurgence in exports to the United States.

The Japanese unit stood at 122.84-87 to the dollar late Friday, compared with 126.67-69 to the dollar a week earlier.

It fell below 124 to the dollar on Thursday, when Eisuke Sakakibara, who heads the Finance Ministry's International Finance Bureau, said the yen could theoretically fall to 103 yen.

The yen ducked under 123 to the dollar on Friday for the first time in more than a month as Finance Minister Hiroshi Mitsuoka said he was "not satisfied" with the present exchange rate level.

"Stabilising (the yen against the dollar) through coordinated intervention is very important from a macro-economic point of view," he told a lower house committee.

**Australian dollar:** The Australian dollar slipped over the week but looked set to power ahead after the central Reserve Bank of Australia silenced talk of another cut in the official interest rate, brokers said.

The local unit ended here

Friday at 77.83 US cents, compared to 78.32 US cents the previous week.

Reserve Bank Governor Ian Macfarlane dampened speculation of another interest rate cut Thursday by saying the effects of recent adjustments to the cash rate — now standing at 6.0 per cent — were still flowing on to the market. During an address to parliament, he threatened to lift rates if wages growth continues at its current rate.

**Singapore dollar:** The Singapore dollar ended the week higher against the US dollar at 1.4405 from 1.4460 previously as investors and speculators unloaded long greenback positions, dealers said.

**Hong Kong dollar:** The Hong Kong dollar, pegged to the US unit, ended the week at 7.7446-7.7456 to the greenback compared to 7.7477-7.748 the previous week.

**Indonesian rupiah:** The Indonesian currency closed Friday at 2,431 rupiah to the dollar or two rupiah stronger than at closing the previous week.

**Malaysian ringgit:** The ringgit closed higher this holiday shortened week at 2.5065 against the US dollar from 2.5075 a week earlier.

Dealers said the local unit is expected to strengthen against the dollar which has slipped against other major currencies.

**New Zealand dollar:** The New Zealand dollar closed Friday worth 68.77 US cents, down from the 69.05 cents close of a week earlier.

**Philippine peso:** The peso

strengthened slightly to 26.373 pesos to the dollar on Friday from 26.374 pesos to the dollar on May 2.

**South Korean won:** The won weakened from 892.20 won to the dollar a week earlier to 984.10 won Saturday.

**Taiwan dollar:** The Taiwan dollar declined to close Friday at 27.685 Taiwan dollars against the US dollar, down 2.3 Taiwan cents from the previous week's finish of 27.662.

Traders attributed the drop to a rare trade deficit of 200 million US dollars for April and political uncertainties on the island.

**Thai baht:** The Central Bank of Thailand's Exchange Rate Equalisation Fund on Friday fixed the baht/dollar mid-rate at 25.99 baht, compared with 26.09 baht the previous week.

## Rok Red Cross plans to ship food to DPRK

SEOUL, May 12: The South Korean Red Cross plans to begin shipping 15,000 tonnes of corn to North Korea next week to help stave off famine, the secretary general of the organisation said today, reports Reuters.

Lee Byung-Woong said his organisation also planned to give its North Korean counterpart an estimate of how much other food aid was planned.

**Tariq Butt writes from Islamabad**

The fixed investment was expected to be about Rs 476.1 billion.

What has been achieved however is way below target. The GDP growth rate is 3.1 per cent contributed by 2.2 per cent in manufacturing, 9.2 per cent in electricity and gas, 0.9 per cent in agriculture and 4.2 per cent in the services sector.

The nominal fixed investment at Rs 411.4 billion shows an increase of 11.5 per cent, with 7.6 per cent and 15 per cent increase in public and private investment respectively. Against the targeted increase in exports and imports, 14.4 per cent and 5.1 per cent, the year's achievement is likely to be 8.0 per cent increase in exports and 1.4 per cent decline in imports. A reduction in overall deficit

## Tk 107cr shrimp fry project begins in July

The Department of Fisheries (DOF) is going to implement a Tk 107 crore project from July this year to produce 200 crore shrimp fry to meet the country's demand.

The government will also train shrimp fry-catchers so that they can avoid catch of other species of aquatic creatures including the planktons and sea-urchins while catching fries in the Bay of Bengal.

At least 100 to 150 other sea creatures are killed while netting only one shrimp fry, said a senior DOF official.

The fishermen catch about 200 crore shrimp fry from the Bay against the country's annual demand for about 400 crore fry. Eleven private and one government hatcheries produce another 200 crore fry all the year round, leaving a huge deficit and the plants under-utilised.

A US team is currently visiting Bangladesh to train 45 shrimp trawler operators about the use of 'Turtle Exclusion Device (TED)', a prerequisite for the shrimp exporting countries trading with the US.

"Some of the countries including India have already adopted the TEDs to ensure their market share in the US," said Faisal Ahmed Chowdhury, Vice Chairman of the Export Promotion Bureau. He said although we have no such endangered turtles in the bed of the Bay, we will use it simply to abide by US laws.

Ahmed said, the team consisting of National Marine Fisheries under the US Department of Commerce will also train personnel at the Marine Fisheries Training Center in Chittagong.

Director General of DOF Md Liaqat Ali said Bangladesh is

well maintaining EU's 'Hazard Analysis Critical Control Points (HCCP)', the regulations set for shrimp merchandising countries to the EU.

He said June 30 is the deadline to guarantee the quality of sea foods and Bangladesh has already sent its guarantee to the EU headquarters in Brussels. The deadline was wrongly published as 'April 30' in some local newspapers, he said.

According to Shrimp Cultivators Association (SCA), the country has 32,653 shrimp and prawn farms covering about 141,350 hectares of lands.

"Most of the farms run below their production capacity due to lack of shrimp fry," said Dr Aftabuzzaman, President of the SCA. He suggested that the government and the private sector entrepreneurs should invest in setting up hatcheries in this lucrative business.

## PRAN-Tetra-Pak accord Joint venture to set up fruit juice plant

PRAN Agricultural Marketing Company Limited signed a joint-venture agreement with an Indian firm, Tetra-Pak, for setting up a plant for producing quality fruit juices in Bangladesh, reports UNB.

The agreement was signed on Sunday at a local hotel aiming to promote agro-based products in Bangladesh.

Commerce and Industries Minister Tofael Ahmed, who attended the function as chief guest, hoped that this joint venture would encourage foreign investors to invest in a bigger way in the country.

The Minister, who gave a very short speech to rush back to parliament, said he would extend all-out help from his Ministry to make the joint venture a success.

"Our government wants to play the role of a facilitator, not the role of a businessman," he said mentioning government thrust on private investment.

Maj Gen Amjad Khan Chowdhury (Retd), Chief Executive Officer of the AMCL-Pran, and LF Poonawala, Executive Chairperson and Managing Director of Tetra-Pak India Ltd, signed the agreement on behalf of the respective companies.

Addressing the ceremony Poonawala described his company, which exists in 120 countries, as a partner of Pran and promised to work unitedly to promote the agro-based products for both countries.

## Sporting goods cos in India urged to phase out child labour

LONDON, May 12: A London-based church group on Monday accused some sporting goods companies of profiting from child workers in India, reports AP.

Christian Aid, which raises money for aid and disaster relief work in developing countries, said some children in India as young as seven were being paid the equivalent of a few cents an hour to stitch soccer balls.

Britain's new Labour government gave its support to the report, which called for sporting goods manufacturers in India to follow the lead set in Pakistan and phase out child labour.

The report said researchers had found Indian boys as young as ten producing boxing and cricket gloves. It said a 12-year-old Indian boy worked six hours a day unpaid in his father's tannery to produce leather for balls sold to a British company called Alfred Reader that is the official supplier of cricket balls for England Test Matches.

Co-author Martin Cottingham said Britain received one third of India's exported sporting goods. But he warned against a consumer boycott, saying that could cause unemployment and push children into more dangerous work.

He said Christian Aid wanted to see attention focused on working conditions and

wages for adults.

"Big companies like Mitre, Umbro and Adidas have the money and the muscle to persuade their existing suppliers to implement codes of conduct pledging basic minimum labour standards, with independent monitoring to ensure compliance," he said.

"We would question whether the big companies are sufficiently monitoring what is going on at a village level to ensure children are not involved."

"Even if they have committed themselves against child labour in their factories, further down the line, children are being used."

## India's forex reserves fall

BOMBAY, May 12: India's foreign exchange reserves fell to 26.65 billion dollars on May 2 against 26.75 billion dollars the previous week, the Reserve Bank of India (RBI) said in its weekly statistical supplement today, reports Reuters.

Foreign exchange reserves (in million US dollars)

	May 2 1997	Apr 25 1997	May 3 1996
Foreign currency assets	22,856	22,873	17,073
Gold	3,965	4,054	4,520
SDR	26	7	2
Total	26,848	26,934	21,605

## SilkAir wins Best Airline Award

SilkAir has, for the third consecutive year, been voted the Best Airline (Regional) in the 1997 Travel Award, says a press release.

The award, organised by TTG Asia and PTN Asia-Pacific was presented to SilkAir at the PATA Travel Mart 1997 held in the Chinese capital Beijing recently.

The Travel Awards are given out in recognition of the most outstanding individuals and organisations in the Asia-Pacific travel industry that set the standards of excellence and professionalism in the respective fields.

SilkAir was voted the best in its field by travel agents, tour operators and destination management companies from the Asia-Pacific region.

## Exchange Rates

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 12/05/97:

Name of Currency	Buying		OD Transfer
	TT Clean	OD Sight Export Bills	
US Dir	43.5200	43.5522	43.2386
GB Pnd	70.1405	69.8537	69.6706
D Mark	25.7415	25.6362	25.5690
F Franc	7.6371	7.6059	7.5859
JP Yen	0.3652	0.3637	0.3627
C Dir	31.0406	30.9774	30.8962
S Franc	30.5538	30.4289	30.3491

## Pakistan government moves to heal ailing economy

With all economic indicators for the current financial year falling woefully short of target, the government of Prime Minister Nawaz Sharif is moving to heal Pakistan's ailing economy and bridge a budgetary deficit of 100 billion US dollars.

Within a few weeks of assuming office, the Sharif government has introduced six reform packages in the banking, capital market and agriculture sectors, a plan to downsize the government and public sector organisations.

"We will soon bring a financial package for the sick units, Commerce Minister Ishaq Dar told India Abroad News Service."

"The previous government had so heavily borrowed from banks that nothing was left for the private sector," Pakistan currently has some 4,000 sick

units.

The economy would be revived within three to six months while the new tax and tariff reforms would start yielding results soon," the minister said.

The current fiscal year has been worse than most. The first ten months — June 1996 to March 1997 — witnessed the change of two regimes. The Benazir Bhutto government was replaced by a caretaker administration till the new government led by Prime Minister Nawaz Sharif took over and policies changed in quick succession.

A GDP growth rate of 6.3 per cent had been envisaged for the year based on a 7.2 per cent increase in manufacturing, 15 per cent in electricity and gas, five per cent in agriculture and 6.1 per cent in the services sector.

rates of interest are allowed to prevail, not only will the revenue stop moving upward, the asymmetric charge emanating from high interest rates will be too high to meet the rising servicing obligations."

"It is this phenomenon which, therefore, needs an early and mega cut in the existing budgetary deficit and the concomitant unsustainability ratio of public debt to GDP," he said.

In a recent letter to Prime Minister Nawaz Sharif, World Bank President James Wolfensohn noted that Pakistan's economic performance in comparison to other Asian economies has considerably declined.

He noted that the country is faced with massive challenges in the wake of slow economic

growth — high inflation, weak balance of payments position due to less competitive exports coupled with low savings, low rates of investment in people, industry and in basic infrastructure as well as poor economic management.

But he said, "Despite financial and economic circumstances inherited by the present government, Pakistan will be able to make progress under Prime Minister Nawaz Sharif and the World Bank will provide Pakistan both technical and financial assistance in implementing a meaningful agriculture income taxation, banking restructuring privatisation, trade policy reforms and the second phase of social action programme."

— India Abroad News Service

Name of Currency	Selling	
	T.T. & O.D.	B.C.
US Dollar	43.8120	43.8650
GB Pound	71.1724	71.2534
D Mark	26.1712	26.2010
F Franc	7.7650	7.7739
JP Yen	0.3738	0.3743
C Dollar	31.6258	31.6618
Franc	31.0766	31.1119

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

	Selling	Buying
US Dir	43.8500	43.3500
GBP	70.1700	68.1700
S Riyal	11.8000	11.4000
UAE Dh	11.8500	11.3500
Ku Dinar	143.5000	138.0000