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DHAKA SATURDAY, MAY 17, 1997

## Loadshedding in Ctg Garment factories incur Tk 70cr loss per month'

From Staff Correspondent  
CHITTAGONG, May 16: First Vice-President of BGMEA, Mahub Ali, has said the garment factories in Chittagong are forced to incur a loss of about Taka 70 crore per month due to power crisis.

Talking to local newsmen here Thursday, Mahub said many factories have to suffer cancellation of shipment orders of garments products because of severe power crisis.

He said the garment sector during the last fiscal year had earned 66 per cent of country's total export earnings.

Mahub urged the government to give proper attention to the development of garment sector that has already employed 12 lakh people.

## Sonali Bank okays Tk 11 cr for project implementation

CHITTAGONG, May 16: A meeting of the Board of Directors of Sonali Bank held here Thursday approved an amount of Taka 11 crore for implementation of various projects, says BSS.

Held at Chittagong Chamber Conference room with Chairman of the bank Mohammad Asafuddin in the chair, the meeting also adopted some important decisions including realisation of the bank's loans at the quickest possible time, a bank press release said.

Board members, Khandaker Ibrahim Khaled, Dr Atiar Rahman, Nurul Guyum Khan were, among others, present at the meeting.

The Board of Directors had decided that they will continue this types of meeting in different divisions of the country so that they could evaluate the position of loans and advances on the spot.

## China's exports surge by 27pc

BEIJING, May 16: China's exports returned to form in the first four months of this year, soaring 26.9 per cent year-on-year growth to 56.3 billion dollars, the official China Daily reported yesterday, says AFP.

Quoting customs figures, it said however, that January-April imports fell 0.5 per cent to 40 billion dollars, leaving a surplus of 10.3 billion dollars.

Total trade for the period was up 13 per cent from a year earlier.

State exporters saw exports slide dramatically in the first half of 1996. Fully-year export growth recovered to just three per cent, well down from the 22.9 per cent seen in 1995.

Vice Trade Minister Liu Shanzai last month warned exporters against complacency after strong first-quarter figures, saying it would be difficult to meet the state's 1997 export target of 155 billion dollars.

## US-Brazil tensions over free trade ease

BELO HORIZONTE, Brazil, May 16: Tensions eased somewhat Thursday between the United States and Brazil over removing hemispheric trade barriers to create the Free Trade Area of the Americas, reports AP.

Brazil's Foreign Minister, Luiz Felipe Lamprea, welcomed US Secretary of Commerce William Daley's willingness to study his nation's complaints about US non-tariff barriers.

"It is a positive gesture that should make negotiations easier," Lamprea said. "It is a concrete step in the right direction."

Before committing itself to the free-trade zone, Brazil wants a reduction of non-tariff barriers for several products, including steel, orange juice, shoes and textiles.

The US economy, he told the Estado de Minas newspaper, "is closed precisely where we are most competitive."

Francisco Dornelles, Brazil's Trade and Industry Minister, said Daley offered to review US countervailing duties and anti-dumping procedures which Brazil says block its steel products from competing on the US market.

Daley's offer was made on the eve of the Third Trade Ministerial meeting. Trade ministers from 34 countries of the Western Hemisphere will try to agree on launching negotiations for the creation of the FTAA.

The United States and Brazil are at odds over just how fast to push negotiations aimed at creating the trade area.

The United States wants comprehensive talks to begin next March trade union, which also includes Argentina, Uruguay and Paraguay — wants a Mercosur partners to become competitive before trade barriers begin coming down.

The creation of the free trade area was agreed on at the First Summit of the Americas, held in Miami in December 1994.

# Investors regaining confidence in share market

By Rafiq Hasan

Trading at Dhaka Stock Exchange is improving and investors are regaining confidence in the market with the resignation of four accused members from its council.

Although the controversy regarding the chairmanship of DSE is yet to be resolved but brokers, investors and persons related to the stock market are hoping that momentum in share trading would return soon.

The DSE All Share Price Index which has been showing an upward trend for the past few days posted another 27.59-point rise Thursday.

The index closed at 1144.58 points from 1116.99 points previous day.

Share prices of 106 companies rose and only 20 declined while two remained unchanged.

Market capitalisation of DSE also reached Taka 237.93 crore reaching Taka 9,527.68 crore from Taka 9,299 crore.

The new Chairman of the DSE, M A Huq Howlader, said the committee under his leadership has been trying its best to

restoring peoples' confidence in the capital market.

In a bid to make the bourse more transparent, we are trying to build up a management concept in the DSE so that everything can be done properly, Howlader told this correspondent.

He said the DSE secretariat would be divided into four departments to strengthen and accelerate office facilities providing better services to the investors.

The departments are trading and clearing settlement, surveillance, complaints and account section.

The surveillance team would keep a watch on any manipulation in the market and check whether share prices of any issue go up or down due to rumour.

People will be able to make any complaint against any brokerage house or DSE member regarding transaction of shares and debentures, Huq said.

Warning the investors about any rumour in the market regarding declaration of bonus and right shares, Howlader said before believing any rumour one should check with stock market or the company concerned.

One of the major causes behind last year's upheaval in share prices was various rumours in the market, so nobody should invest his money on the basis of unchecked information, he said.

In this regard the DSE Chairman said from now on all information regarding any development in the listed companies would be reflected in the daily quotation sheet.

Though he declined to make any comment on the market situation, Howlader said one per cent rise or down in the price index does not reflect the actual market situation.

To understand the development of the market, it has to be observed that whether there is any continuation of ups and downs.

Talking to this correspondent, some brokers at the DSE also echoed the chairman's

## Tofael tells JS SAPTA to help shrink trade gap with India

Bangladesh hopes that SAPTA (SAARC Preferential Trading Arrangement) will help shrink its trade gap with India, the Commerce Minister told parliament Thursday, reports UNB.

Replying to a question from Shahidul Islam of BNP, Tofael Ahmed said India has already announced twice duty concessions for Bangladeshi products under the trade accord.

He said India gave 10 to 100 per cent duty concessions for 59 items at the end of the first round trade negotiation in April 1995 and 25 to 50 per cent concessions for 513 products in November 1996.

Apart from duty concessions, the Indian side also informed the Bangladesh authorities of withdrawal of non-tariff barriers and quantitative restriction on 180 Bangladeshi products, Tofael said.

He said the fifth meeting of the Bangladesh-India Joint Economic Commission (JEC) in New Delhi in March this year decided to hold regular trade review meetings between the two countries.

He said the trade gap with India, which was only 180 million US dollars during 1972-75 period, rose to 460 million dollars during 1982-90 period.

It was 350 million dollars in 1992, 390 million dollars in 1993, 650 million dollars in 1994 and 1030 million dollars or Tk 4481 crore in 1995, he said.

## Dollar gains against yen

TOKYO, May 16: The US dollar gained slightly against the yen Friday as investors took a rest from the volatile trading that sent it plunging over the last few days, reports AP.

Traders said market players, including US investors, bought the dollar early in the session to cover short, or oversold, positions ahead of the weekend.

But the dollar later headed into a tight range as some investors retreated to the sidelines, traders said.

The dollar, which shed 2.72 yen Thursday, was changing hands at 116.41 yen late Friday afternoon, up 0.20 yen from late Thursday in Tokyo and also above its late New York trading of 116.10 yen overnight.

It ranged from 115.94 yen to 117.06 yen in Friday's trading.

Since hitting a 56-month high of 127.46 yen on May 1, the dollar has dropped more than 12 yen, touching an overnight low in New York of 114.76 yen — its lowest level since December 26, 1996.

The dollar's decline has been propelled by recent comments by senior Japanese officials that the US currency has risen too high, as well as by market expectations of higher Japanese interest rates.

Hirohisa Mukai, a foreign exchange trader with Sanwa Bank, said the market needed a 'respite' after days of continued volatile trading.

## Sajeda at Beijing conference North urged to help combat desertification in Asia

Environment and Forest Minister Syeda Sajeda Chowdhury Thursday called upon the developed nations to come forward with a liberal assistance policy to combat desertification threatening Asia, reports UNB.

"Asian countries are now united in their concern of desertification and degradation of environment," she told the concluding session of the three-day Asian Ministerial Conference of the UN convention in Beijing.

Sajeda said the problem of desertification and other environmental related issues transcended the international boundaries affecting the entire



AKM Azizur Rahman, Chairman of Central Insurance Company Ltd inaugurating the Mymensingh branch of the company at 1, Madanbabu Road on Wednesday.

## \$271m fraud case in India Presidential assent sought to prosecute minister

NEW DELHI, May 16: India's main investigating agency yesterday sought official permission to prosecute a minister in a raging 271-million-dollar fraud case, which has claimed two lives and threatens the career of a ruling coalition stalwart, reports AFP.

Sources in the Central Bureau of Investigation said the body has asked President Shankar Dayal Sharma's approval to charge Minister of State for Rural Areas and Development Chandradeo Prasad Verma.

Under Indian law, serving ministers cannot be charged without presidential assent.

Verma, a politician from the eastern state of Bihar, is among 54 leaders accused of siphoning off money from a state fund set up to supply cattle feed.

On Thursday, Bihar Chief Minister Laloo Prasad Yadav, who is also President of Prime Minister Inder Kumar Gujral's Janata Dal (People's Party), was virtually given marching orders by a hunch of the 13-party ruling alliance.

Veteran Communist leader Harkishan Singh Surjeet told reporters that Yadav, who is the main suspect in a CBI dragnet, should "resign forthwith and abstain from politics until his name has been cleared."

Surjeet said Yadav had telephoned him Thursday from Bihar and sought his "blessings," adding, "he has no alternative but to step down."

The Earthy Yadav, who is al-

## WB okays \$263.4m loan to China, Thailand

WASHINGTON, May 16: The World Bank announced here yesterday it had approved loans to China and Thailand worth a total of 263.4 million dollars, reports AFP.

In China, the 120 million dollars will be used to boost livestock and aquaculture development, while in Thailand the bank will help finance a university science and engineering project with a loan of 143.4 million dollars.

The China programme is designed to benefit 2.75 million families in the northeastern Chinese province of Heilongjiang, a major producer of cereals and soy beans.

A bank statement said new production and processing technologies will be introduced as well as management techniques aimed at increasing "market responsiveness."

The total cost of the project is 239.8 million dollars, half of which will be financed by the World Bank. The provincial government will contribute 63.8 million and local beneficiaries the rest.

In Thailand, the bank said it would join the Australian Agency for International Development and the Thai government to address the country's shortage of scientifically and technically skilled workers.

## White House, Senate reach accord to balance budget by 2002

WASHINGTON, May 16: The Senate and the White House Thursday reached a final agreement to balance the budget by 2002, Senate majority leader Trent Lott said, reports AFP.

An earlier report says: The Clinton administration is negotiating with Republican Congressional leaders to remove "a dozen or so" obstacles to a balanced budget agreement.

White House spokesman Michael McCurry said that House Chief of Staff Erskine Bowles was in direct negotiations at the Capitol building with leaders of the Republican-controlled Congress, House of

## Central Insurance opens branch at Mymensingh

The Mymensingh branch of Central Insurance Company Ltd was opened at 1, Madanbabu Road, Mymensingh on Wednesday, says a press release.

AKM Azizur Rahman, Chairman of the company, inaugurated the branch as chief guest.

In his brief speech, he hoped that the company is one of the best general insurance companies of the country which possesses, the capacity of maximum insurance protection within minimum cost and ability to settle insurance claims within the shortest period.

A Khatm-e-Quran and a milad mahfil was arranged prior to the opening of the branch, The Earthy Yadav, who is al-

## Singer holds business review meet

A day-long business review meeting of Singer Bangladesh Management was held at the company's training centre on Thursday, says a press release.

The meeting was participated by the company's sales manager, all area managers as well as the district managers.

Mahub Jamil, Chairman and Managing Director of Singer Bangladesh Limited opened the meeting.

The business review meeting was conducted by the Marketing Manager, M A Siddiqui.

The field managers participated in the analysis of the business achievements of the first four months of 1997.

## Extension of UN-Iraq oil deal likely

UNITED NATIONS, May 16: There are no obstacles that will prevent an extension of the United Nations-Iraq oil-for-food deal, the chairman of the UN committee on Iraq sanctions said Wednesday, reports AP.

Antonio Monteiro spoke after what he called a "very profitable" meeting in which the committee heard from two high-ranking UN officials regarding the implementation of the oil sale.

Monteiro said the committee adopted several measures that he hoped would speed approval of aid contracts by the UN and the delivery of food and other humanitarian aid to Iraq.

If the UN finds no problems in Iraq before June 7, it is likely that the oil-for-food sale will be rolled over at the current sales level of about two billion dollars for the next six months.

The Sanctions Committee heard Wednesday from Joseph Stephanides of the UN Department of Political Affairs and Yohannes Mengesha, the director of Iraq issues for the UN Department of Humanitarian Affairs.

The two men recently returned from separate trips to survey the situation in Iraq.

## Bangkok won't reshuffle econ team, devalue baht

BANGKOK, May 16: Thai Prime Minister Chaowalit Yongchaiyudh issued a written denial yesterday of reports he would reshuffle his economic team amid continuing pressure on the stock market and the baht, reports AFP.

He also firmly rejected suggestions of an imminent devaluation of the Thai currency, which hit a 10-and-a-half year low in European markets Wednesday before easing against the US dollar on Thursday.

Chaowalit said that Finance Minister Amnuay Wirawan and the Bank of Thailand were preparing to announce fresh measures next week to bolster confidence in the economy and financial institutions and increase liquidity.

A statement from the Prime Minister's Secretariat, sent in English translation to the foreign news media, said the economic situation remained stable, with both inflation and the current accounts deficit easing.

## Asian conglomerates increasingly challenging Western corporations

Fons Tuinstra writes from Shanghai

Asian conglomerates are increasingly challenging the Western corporations that dominate international trade. But, as Gemini News Service reports, a Hong Kong Businessman is warning that instead of becoming kings of the business jungle, they may end up as dinosaurs.

Successful Asian conglomerates combined a wide variety of activities, and efforts to "professionalise" management could sometimes be disastrous, he said.

Audited accounts of Asia's family-based conglomerates showed only a part of the picture. "What most people see are our flagships, our listed companies," said Chan. "But under it, you will always find a much larger grey area, with many non-listed companies."

In the future, as Western influence reasserted itself, he foresaw more regulation. And "the more regulation we get, the more we will get into trouble." There was also the motivation factor: "We work hard. Our fathers worked hard. But will our children work hard? I'm not sure."

In addition, margins in the West were very small, he noted, adding: "I don't like to work in such surroundings."

Chan cited another factor that contributed to the short-term success of the overseas Chinese while creating long-term problems. "Our business is based on a sense of insecurity," he explained. "We are mostly minorities in the countries where we live and we feel under siege. We don't work on the long

## Up-and-coming giants

Top 10 transnational corporations (TNCs) based in developing countries

Company	Home country	Industry	Assets	Employees
Daewoo	South Korea	Electronics	\$33bn	200,000
Hulchison Whampoa	Hong Kong	Diversified	\$52bn	26,900
Cemex	Mexico	Cement	\$78bn	21,000
Jardine Matheson Holdings	Hong Kong	Construction	\$63bn	220,000
China State Construction Engineering Corp.	China	Construction	No data	No data
China Chemicals Imports & Exports	China	Trading	No data	No data
Samsung	South Korea	Electronics	\$33bn	196,000
LG Group	South Korea	Electronics	\$25bn	59,200
Grupo Televisa	Mexico	Media	\$32bn	21,600
Hyundai	South Korea	Diversified	\$10bn	44,900

More than half of the top 50 TNCs from developing countries are based in Asia

## Filipino inflation rate may be under 6pc

MANILA, May 16: The Philippine government's economic planners said Friday that average inflation for 1997 could be less than the official prediction of between six per cent and seven per cent, reports AP.

National Economic and Development Authority Deputy Director General Dante Canlas said achieving the government's 1997 inflation target "wouldn't be a problem." He said inflation "could come in lower than six per cent."

Canlas noted that consumer price index increases have not exceeded five per cent since last September. Double-digit inflation has been eliminated since mid-1996.

merce, held in Shanghai in April.

For the time being, Chan believes the Asian market offers opportunities to local companies that contravene the teaching of Western enterprise gurus.

Back to core business, say the Western management gurus, which promote the virtues of a lean organisation, out-sourcing of activities and a just-in-time production approach to reduce stocks.

"Don't listen to them," advised Chan. "In the highly efficient markets of the West, business professors will tell you

Fons Tuinstra is a Dutch Journalist based in Shanghai.