

## Indian businessmen keen to set up jt ventures in Bangladesh

Commerce Minister Tofael Ahmed Tuesday said unequal response to reducing tariff and quantitative restrictions (QRs) on imports from Bangladesh against a huge trade gap against Dhaka, reports UNB.

In the last five years, Bangladesh had withdrawn QRs on 386 items out of 431 and reduced customs duty from 350 per cent to maximum 45 per cent, he told a visiting Indian trade delegation.

The 21-member delegation of the Federation of Small and Medium Scale Industries

(FOSMI) of India, led by its president Sallil De, called on the minister in the city.

Speaking at the meeting, the Indian entrepreneurs expressed their keen interest in expanding trade with Bangladesh. They were also eager to set up joint-venture industries in Bangladesh.

Tofael said the Indian government has withdrawn QRs and reduced tariffs on 188 items.

"This will help narrow the trade gap between the two countries and the businessmen from

both the countries can do more business," he said.

Tofael said: With the withdrawal of QRs by India and prevailing favourable trade and investment environment in Bangladesh, we have to find some common areas where both the countries can work together.

He said Bangladesh is offering incentives to the investors which is the best in the region and Indian investors are also welcomed to exploit the benefits.

Explaining the activities of

Bangladesh Small and Cottage Industries Corporation in expanding small and medium-scale industries, he said Bangladesh will be benefited in sharing the knowledge with FOSMI in this regard.

Tofael said frequent visit of business delegations between the two countries and expansion of trade and investment will cement the relationship further.

Industries Secretary M Akhter Ali and other officials of the Board of Investment were present.

## Outstanding bills BOC stops credit supply of medical gas to hospitals

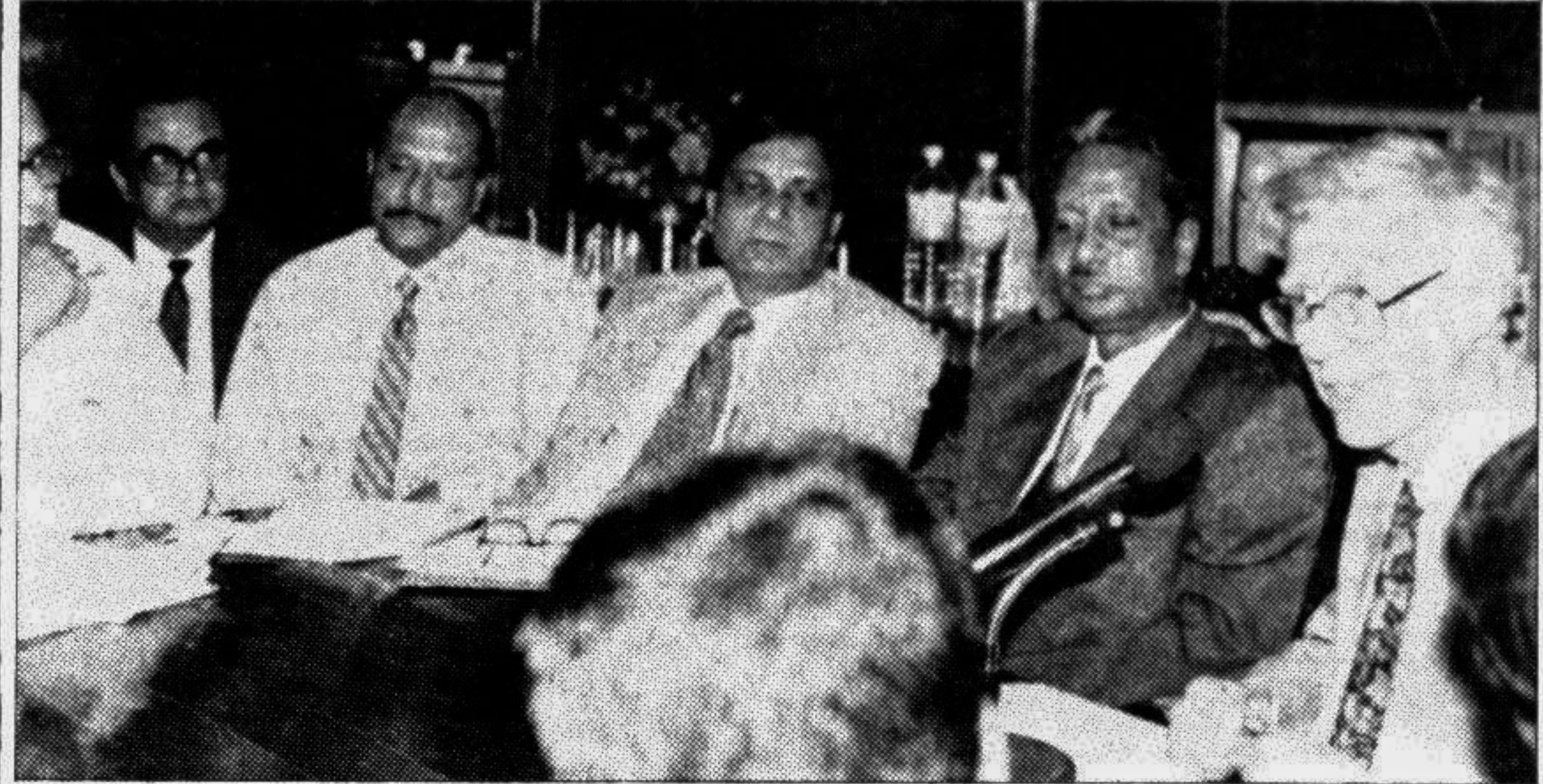
BOC Bangladesh Limited has decided not to provide any further credit supply of medical gas to hospitals for the huge burden of outstanding bills.

About Tk two crore has been remaining unpaid, a BOC official told UNB. The present position with the bills outstanding against credit supply is extremely serious, he added.

As per the rate running contract with Central Medical Stores Depot for supply of medical gas, BOC has right to stop supply if the bills are not paid within 15 days.

"Some of the bills in few hospitals are outstanding since 1994," the official said, adding "We have given them formal notice to stop credit supplies."

The BOC-BD will soon arrange a press conference to inform the decision that it is unable to provide further supply of gas until all bills outstanding as March 1997 are settled.



A discussion meeting on privatisation was held between Kazi Zafarullah (3rd-R), Chairman, Privatisation Board, and the members of Bangladesh Chamber of Industries on Tuesday in the board room of BCI. Pierre Landell-Mills (1st-R), Mission Chief, World Bank Resident Mission in Bangladesh, attended the meeting as the special guest. Sharif M Afzal Hossain (2nd-R), President, BCI presided over the meeting.

## Australia cuts migrant intake

CANBERRA, May 21: Australia's immigrant intake will be cut by the government said Wednesday there will be no discrimination against potential migrants from Asian countries, reports AP.

Its declaration that Australia's immigration policy will remain non-discriminatory repudiates the demand of maverick legislator Paine Hanson, who has warned that Australia is in danger of being swamped by Asians.

Immigration Minister Phillip Ruddock was clear on that point.

"The programme remains non-discriminatory in terms of race, religion, ethnicity and country of origin," he said.

"But this [cut in intake] is not a response to the comments of Paine Hanson," he said.

"If it were a response to Paine Hanson, there would probably be no programme at all."

He said Australia's general migrant intake would be cut by about 20 per cent in 1997-98, setting a target of 68,000 new settlers.

This does not include 12,000 more admissions set aside under the government's humanitarian programme, the same level as last year.

"Australia is a leading humanitarian settlement country," Ruddock said.

The part of Australia's immigration programme will include 4,000 places for refugees.

The other 8,000 places in the humanitarian programme will be for displaced people, those suffering from gross human rights discrimination and 2,000 people already in Australia who qualify for permanent entry on humanitarian grounds.

Ruddock said the cut in Australia's general immigration programme had been forced by the country's high unemployment, which stood at 8.7 per cent in April.

He said more emphasis would be placed on attracting skilled migrants, rather than facilitating family reunions under the government's new programme.

## 'Liberalisation: Big-bang approach not applicable in Third World'

"Liberalisation through a big-bang approach is not applicable in order to achieve sustainable development. But liberalisation through gradual process is needed in most of the developing countries," Dr. M Arif of the National University of Singapore, an expert on financial sector reforms who is on a lecture tour of Bangladesh, said in Dhaka on Tuesday, reports BSS.

Speaking at a discussion meet with some economic experts at Centre for Policy Dialogue in the city, Dr. Arif pointed out that macro-economic stability does not require financial liberalisation at the initial stage of the country's economic liberalisation.

The financial sector may need to be liberalised after the key economic indicators of a country such as banks, industries, etc. reach a certain level of development and measures of good governance such as prudential regulation are put in

place to deal with the consequences of liberalisation, he said.

Dr. Arif brought in examples of some newly-industrialised countries viz Singapore, Korea beginning with the Japanese experience in the post-war period. He pointed to the initial period of financial management in these countries where the government exercised tight control over the direction and cost of credit. Kept its portfolio capital market protected from external intervention and made no move to encourage exchange rate convertibility.

Arif suggested that it was somewhat risky on the part of Bangladesh to initiate financial sector liberalisation programme before achieving the necessary preconditions for initiating such a risky process, which the East Asians initiated some 15 to 20 years after initiating the phase of rapid development.

He observed that there has to

be adequate transparency in the financial sector, if liberalisation is to work and not degenerate into rent-seeking.

While talking about the problem of 'bad' loans in Bangladesh, he said: "This situation has risen as the performance of the banking sector has not been carefully monitored since liberalizing this sector." According to him, financial liberalisation demands efficient financial regulation. Here again the method of auditing ought to be very strict. He pointed out that healthy banking calls for professional management, competitive performance and professional regulation.

The discussion chaired by Prof. Rehman Sobhan, was participated among others by M. Syeduzzaman, A M A Mubith, M Muniruzzaman, Syed Manzoor Elahi, S B Chaudhuri, Sultan Z Khan, Ali Kabir and Moazzem Hussain.

## Pak govt to pay more for sugarcane

KARACHI, May 21: The Pakistan government is to increase the price it pays for sugarcane as an incentive to farmers to grow more of the commodity and help reduce sugar imports, officials said today, says AFP.

The price increases would be effective for sugarcane harvested from November, they said.

Prices for 40 kilograms (88 pounds) of sugar would climb 11 rupees (28 cents) to 35 rupees for Punjab and North West Frontier province and 12 rupees to 36 rupees for Sindh and Balochistan provinces.

The Pakistan Sugar Mills Association said the move would induce farmers to grow more sugarcane in line with plans to raise sugarcane production from the current 32 million tonnes to 40 million tonnes.

Reuters report says: The Pakistan Sugar Mills Association said on Wednesday sugar output was likely to jump to 3.0 million tonnes in 1997/98 (July-June) from about 2.38 million tonnes in 1996/97.

Khadim Ali Qazilbash, Secretary General of the Association, said output was expected to rise because of higher acreage under sugarcane. The new crop will reach mills in October or

## WB cautioned against barring US bids

WASHINGTON, May 21: There could be a backlash in Congress against paying 1.6 billion dollars in US arrears to international financial institutions unless American businesses can bid on World Bank contracts closed to them, a Senate chairman said Tuesday, reports AP.

Republican Sen Mitch McConnell, chairman of the Senate Appropriations subcommittee on foreign operations, cautioned European and Japanese governments that imposed the ban that "blackmail did not work last time and it's not going to work this time."

## UAE oil income hits record high in '96

ABU DHABI, May 21: The United Arab Emirates (UAE) oil export earnings climbed to a record level in 1996 after crude prices hit a 13-year high, official figures showed yesterday, reports AFP.

Earnings peaked at 57 billion dirhams (15.5 billion dollars), allowing the Gulf country to wipe out a budget deficit, widen its trade surplus and boost its economy by more than 10 per cent, the central bank said.

The 1996 income is 9.8 billion dirhams (2.7 billion dollars) higher than 1995 revenues of 47.2 billion dirhams (12.8 billion dollars) and it replaces a previous record level of 54 billion dirhams (14.7 billion dollars) in 1991.

Oil prices in 1996 shot to their highest level since the oil boom of the early 1980s due to a sharp decline in western crude inventories, a prolonged cold spell in the northern hemisphere and Iraq's absence from the oil market.

Baghdad has been under UN sanctions since its 1990 invasion of Kuwait.

Oil prices averaged nearly 20 dollars in 1996 compared with 16.8 dollars in 1995 and a round 18 dollars in 1991.

## Bid to attract foreign investment Three-day Second Bangladesh Roundtable opens May 25

HONG KONG, May 21: In its drive to actively promote Bangladesh as an attractive investment site the BOI has given its support to the Second Bangladesh Roundtable to be held between May 25-27 and organised by the Economist Conferences in association with Horizon Pacific International (Bangladesh) / Dataconsult, in Dhaka, says a press release.

Anisul Haq Chowdhury, Executive Chairman of the Bangladesh Board of Investment (BOI), is to address participants at the Second Bangladesh Business Roundtable on investment opportunities in the country. A fitting introduction to the Second Bangladesh Business Roundtable was the luncheon, entitled 'Investing in Bangladesh', also hosted by The Economist Conferences in Singapore earlier this year. At the luncheon Chowdhury addressed a select group of Singapore regional managers to discuss Bangladesh's drive to create an investor friendly environment.

In line with the gradual shift from nationalisation to a market-driven economy, over the past six months Prime Minister Sheikh Hasina's new Government and the ruling Awami

League have demonstrated a strong commitment to Foreign Direct Investment (FDI). The Second Bangladesh Roundtable is a prime opportunity for the government to demonstrate its commitment to investors and to enter into dialogue with the international business community to address their key concerns.

Featuring the ministries of finance; food and agriculture; labour and manpower; post and telecommunications; and trade and commerce, the Roundtable will offer foreign investors the opportunity to meet Bangladesh's policy makers and hear first hand about their economic policy and strategy. During the two-and-a-half day dialogue participants are to hear from a panel of private sector speakers about operating a business in Bangladesh. Topics for discussion will include: Bangladesh's free market reforms and new industrial policy as an impetus for private investment; tax incentives and the establishment of Export Processing Zones (EPZs); infrastructure development; plans to liberalise and improve the power sector and to privatise the telecommunications industry.

A tour of Chittagong's Export Processing Zone and factories has also been scheduled for the roundtable participants on May 28. This will include a trip to the Export Processing Zone giving participants the opportunity to see some of the existing factories and the chance to talk face to face with local and foreign entrepreneurs who have already invested there.

The Second Bangladesh Business Roundtable is sponsored by Pacific Bangladesh Telecom, Arab Bangladesh Bank, SGS, Premium Securities, DHL, Mobil, and Ferragim.

The Economist Conferences, part of The Economist Group, is the leading provider of face-to-face dialogue between government officials and senior multinational executives in the world's fastest growing markets.

The Economist Conferences organises Government Roundtables, Industry Roundtables, Operations Forums, Executive Forums, Peer Group Forums and Executive Briefings throughout Asia-Pacific. These sessions provide senior executive with the opportunity to discuss with peers and senior government leaders issues affecting their companies.

## Rise in exports may continue in China this yr

BEIJING, May 21: A trend of declining imports and rising exports will continue for China during 1997, the Ministry of Foreign Trade and Economic Cooperation has predicted, according to an article Wednesday in the official China Daily, says AP.

The newspaper cited an official government report by the ministry that has not yet been released. The China Daily did not provide import, export or trade surplus estimates for 1997.

According to figures from the State Statistics Bureau, China's exports in 1996 rose three per cent to 153 billion dollars while imports increased four per cent to 137 billion dollars. China ended last year with a trade surplus of 16 billion dollars.

For the first four months of this year, China's trade surplus swelled to 10.3 billion dollars. Exports rose 27 per cent and imports declined 0.5 per cent. Total trade for the first quarter was valued at 90.3 billion dollars.

Beijing still extends a rebate to some companies on value-added taxes, although it has twice cut the rebate rate and has had trouble paying the billions of yuan it owes exporters.

Meanwhile, China is phasing out tax-exemptions for capital goods imports.

## US House okays balanced budget proposal

WASHINGTON, May 21: A plan to balance the US federal budget by 2002 passed its first hurdle in Congress early Wednesday when the House of Representatives approved it by an overwhelming 333-99 vote, reports AFP.

Four substitute versions of the balanced budget proposal were debated and defeated in a long session that began late Tuesday and ended with the final vote at 3:30 am (0730 GMT).

The balanced budget agreement is expected to be taken up by the Senate later Wednesday.

Word for each proposal is almost identical, but any difference would have to be ironed out between both houses before President Bill Clinton can sign it.

Clinton's proposal for 35 billion dollars in college tuition tax credits and deductions was also included in the agreement.

Because of tax cuts, notably on capital gains, the deficit should edge up next year to 91 billion dollars under the plan before narrowing in each of the subsequent years to reach a surplus of around one billion dollars in 2002.

## Delhi urged to ban sponsorship of sports by cigarette cos

NEW DELHI, May 21: India's chief election official M S Gill today pressed New Delhi to ban sponsorship of sports events by cigarette companies, reports AFP.

Gill, who is also president of the Indian Mountaineering Foundation, said it was an accepted fact that smoking caused cancer.

Gill said the Indian cricket team, which got "tremendous television exposure," was always backed by a major cigarette company. This, Gill added, ended up generating more smokers among the young.

"Unfortunately, since we have too much of cricket, by the trick of sponsorship cigarettes are being promoted to maximum viewers, particularly the youth," he said.

The plan outlines tax and spending goals for the next five years, but final spending plans would have to be passed each year.

The plan calls for substantial cuts over five years in enti-

tlement programmes, including 115 billion dollars of cuts in medicare - health care for the elderly - and net tax reductions of 85 billion dollars.

## Shipping Intelligence

CHITTAGONG PORT						
Berth position and performance of vessels as on 20.5.97						
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/12	Banglar Asha	Wheat (G)	K/Dia	BSC	5/4	22/5
TSP	Manitis	Repair	Mumb	Cross	5/4	25/5
DB	Raffhu	Repair	Mong	KSL	29/4	22/5
DDJ/1	Tanary Star	IDLE	Para	PSAL	8/6	-
CUFLJ	Blue North	Cement	Qing	PSAL	3/6	-
Vessels due at outer anchorage						
Name of vessels	Date of L port arrival	L port call	Local agent	Cargo	Loading	port
Olympia-96	20/5	Yang	Simmi	For Scraping	-	-
Esco Argo	20/5	Bang	Prog	GI	-	-
Iolocos Flame	20/5	AFIZ	Prog	In Ballast	-	-
Green Opal	20/5	Chin	AFIZ	GI	-	-
Grace Marine	19/5	Sing	Everett	GI	-	-
Kota Selamat	19/5	Sing	Pil (BD)	Cont	Sing	-
QC Pintal	21/5	Sing	QC SL	Cont	Sing	-
Elbe Star	21/5	Sing	BD Ship	Cont	Cal	-
Padma	20/5	Sing	RSL	Cont	Sing	-
Leona	21/5	Sing	ASL	Cont	Sing	-
Meng Klat	22/5	Col	Prog	Cont	Col	-
Wefaika-M	22/5	-	USTC	For Scraping	-	-
Banglar Maya	21/5	-	BSC	RSeed/D/Beas	-	-
King Ye	22/5	-	AASS	RSeed/D/Beas	-	-
Rita Red Mar	22/5	Col	JF	Cont	Sing	-
Kota Berjaya	22/5	Sing	Pil (BD)	Cont	Sing	-
Vientiane	23/5	Col	AMBL	GI	-	-
Ultima	21/5	Col	Barthi	Cont	Col	-
Olympia	23/5	-	USTC	Cement	-	-
Lamphun Navee	23/5	Sing	RSL	Cont	Hald	-
AL Saima	24/5	-	ASL	GI/GL	-	-
Lorely	24/5	-	MBL	-	-	-
Tanker due						
Name of vessels	Cargo	L Port call	Local agent	Date of arrival		
Nedinar	20/5	Qatar	ECSL	HSD/JET-1	-	-
San Giorgio	25/5	-	Seacom	CDSO	-	-
Dunga Kesumba	21/5	-	TSL	CDSO	-	-
Outside port limit						
Name of vessels	Cargo	L Port call	Local agent	Date of arrival		
Ismaya	-	Sing	-	B Bay	9/1	-
Oriant	-	-	-	B Bay	25/2	-
Mighty Tide	-	-	-	B Bay	R/A	-
Vessels at outer anchorage						
Ready on						
Name of vessels	Cargo	L Port call	Local agent	Date of arrival		
Mihaliss-F	Weat (G)	-	SSST	R/A	-	-
Hae Woo No. 2	Cement	Sing	RML	R/A	-	-
Captain x Kyriakou	HSD	-	ECSL	R/A	-	-
Qai Lin Yang	Clink	Chin	USTC	R/A	-	-
Ocean Rover	GI	-	Pairmax	R/A	-	-
Mukhta Auszov	Rice (G)	-	Ancient	R/A	-	-
Idchmae Pioneer	Cement	Sing	PSAL	R/A	-	-
Fong Yun (cont)	Cont	Sing	BD Ship	R/A	-	-
Dragon Sentosa	Cont	Sing	RSL	R/A	-	-
Fresia	Cont	Sing	RSL	R/A	-	-
Ravida	GI	Mad	SSL	17/5	-	-
Banglar Moni	Cont	Sing	BSC	17/5	-	-
Altair Ace	GI	Yang	Everett	18/5	-	-
Lian Sha	Cont	Sing	BD Ship	18/5	-	-
Pioneer Rossi	GI	Sing	ANCL	18/5	-	-
Fong Shn	Cont	Sing	BD Ship	18/5	-	-
Vessels not ready						
Name of vessels	Cargo	L Port call	Local agent	Date of arrival		
Teachon	Cement	-	Cosmos	R/A	-	-
Banglar Shourabh	C. Oil	K/Dia	BSC	R/A	-	-
Banglar Jyoti	C. Oil	K/Dia	BSC	R/A	-	-
Jin Cheng Jiang	Empty	Sing	USTC	18/5	-	-
Tug Tomg AM	Empty	Sing	Karna	19/5	-	-
George	Cement	Sing	PSAL	16/5	-	-
Fong Lee	Repair	-	BD Ship	R/A	-	-
Vessels awaiting employment/instruction						
Name of vessels	Cargo	L Port call	Local agent	Date of arrival		
Banglar Sampad	Scraping	-	BSC	R/A	-	-
Georgiy Dimitrov	Scraping	-	Delmure	R/A	-	-
Movement of vessels for 21/5/1997 & 22/5/1997						
OUTGOING	INCOMING		SHIFTING			
21/5	B>Showbha					
	Nedimar					
	Fong Yun					
	QC Teal					
Nil	L/Shia					
	Gui Lin Yang					
	L/Shia					
	Hai Wou No.2					
	M. Azov					
	T.Pioneer					
	Rabidas					
	Mahalis					
22/5	D.Sentosa					
CCT/2	Freesia					
CCT/3	Q C Teal					
J/11	Fong Yun					
	Fong Shn					
	Lian Sha					
	Kota Selamat					
	QC Pintal					



Bangladesh Krishi Bank Training Institute Branch, Mirpur arranged a weavers' gathering for disbursement and recovery of loans on Monday. AJ Masudul Haque Ahmed, Managing Director, disbursed loans among the weavers.

## China, US extend shipping pact to mid-98

BEIJING, May 21: China and the United States on Tuesday formally extended until mid-1998 an agreement governing shipping between the countries, the US Embassy said, reports AP.

The agreement, originally negotiated Dec. 15, 1988, and renewed previously, underscores Beijing's and Washington's commitment to expanding trade, the embassy said in a statement.

Trade between China and the United States totaled 63.5 billion dollars last year, the bulk of it carried by the two countries shippers, the embassy said.

The renewed agreement will last until June 15, 1998. It was renegotiated in April 1996 by representatives of the US Maritime Administration and China's Ministry of Communications, embassy spokesman Robert Laing said.

## Strained Asian fisheries lose job-creating capacity

Fisheries employ more than 50 million people in South and Southeast Asia, despite depletion of resources.

The Asia-Pacific Fishery Commission (APFC) outlines the impact of problems on fishing jobs in a new report: Regional Review of the Fisheries and Aquaculture Situation.

Three out of ten of those employed in fisheries work on a part-time basis, the study notes. They are found in coastal or inland fisheries in Indonesia, Pakistan, Myanmar, India and Bangladesh. They account for most of the domestically-caught fish.

Overall, fishermen in the region numbered about 10.36 million, says the APFC study published by the Food and Agriculture Organization (FAO). Of these, 1.72 million are engaged in inland water fisheries. About 8.64 million work in the open seas.

India has the largest number of fishermen in the region - 3.8 million, followed by Indonesia, 2.9 million, and Bangladesh, 1.1 million.

The number of Asian fishermen is on the upswing. Between 1975 and 1985, they increased to over 10 million from less than 8.6 million. The in-

crease was due to the expansion of fisheries and aquaculture during the same period, which boosted fish production.

However, introduction of labour-saving equipment, entry restrictions and increased alternative jobs in other sectors of the economy have dragged back the pace of employment.

Asia now have over 1.3 million fishing vessels criss-crossing its waters. These consist mostly of small, open traditional boats classified as 'with-out tonnage' with primitive gear.

Malaysia has reduced by 22 per cent fishing vessels of less than 25 GRT in 1992. Others that reported moderate decreases were: the Philippines, Vietnam and Singapore. Concerned over depleted fishery resources, their governments wanted to set a limit to fishing.

Fishing vessels of between 100 and 1,000 GRT have increased in number between 1982 and 1994. These engage in offshore and distant water fishing. The Philippines and Indonesia have the most number of such vessels.

Trawlers and gillnetters are used by countries in the region to catch demersal fish and shrimp. FAO notes. The latter operate in inshore waters. Three thousand purse seiners are used to catch pelagic species.

Inland fisheries continue to provide about one-fourth of the total national fish catch for the region as a whole. Inland fisheries are a major food source for local communities. But these resources are under increasing threat of environmental degradation and over-fishing.

Coastal fisheries are also over-exploited by the small-scale fishermen. Encroachment

by trawlers and pushnets into inshore waters aggravates the situation.

As a result, FAO warns that fish sizes and quality and even fishermen's incomes have been decreasing. Sustainability of these resources has emerged as a critical issue among many countries in the region.

APFC advocates stepped-up research in fisheries. Research can provide technologies to maintain past production. It also could boost production while conserving the resources and protecting the environment.

## \$ 325m WB loan for Indian project

NEW DELHI, May 21: The World Bank on Wednesday announced a 325 million dollars aid package for an irrigation project in the southern Indian state of Andhra Pradesh, says Reuters.

The bank said in a statement released in the Indian capital that the package included a 175 million dollars loan and a 150 million dollars low-interest credit from its concessional lending arm, the International Development Association (IDA).