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DHAKA THURSDAY, MAY 29, 1996

### Dutch-Bangla Bank Board meets

The Board of Directors of Dutch-Bangla Bank Limited (DBBL) in the city on Monday at its eight session held at its head office reviewed the overall performance of the bank, says a press release.

The meeting was attended by J L T Faber of the FMO and Director, DBBL, Abedur Rashid Khan, Director, Shafi Raman, Director, Abdus Salam, Director, A H M Shawkat Ali Chowdhury, Managing Director and Md Omar Chowdhury, Advisor.

The meeting was presided over by Mohammed Sahabuddin Ahmed, Chairman of Dutch-Bangla Bank Limited.

The Directors reviewed the progress achieved by this new joint-venture bank so far, and exchange views on the various areas of further co-operations with FMO, the Netherlands, strategic approaches for future business development, etc.

Mohammed Sahabuddin Ahmed thanked the FMO representative for his strong moral support for the bank, and expressed hope that FMO support for the bank will grow.

### IBBL declares profit rates on deposits

Islami Bank Bangladesh Limited (IBBL) declared final rates of profit for the year 1996 on different types of deposits as follows: (a) Mudaraba Savings Bond for 8 years — 11.25 per cent, (b) Mudaraba Savings Bond for 5 years — 9.90 per cent, (c) Mudaraba Hajj Savings Deposits — 9.90 per cent, (d) 36 months Mudaraba Term Deposit — 9.00 per cent, (e) 24 months Mudaraba Term Deposit — 8.82 per cent, (f) 12 months Mudaraba Term Deposit — 8.64 per cent, (g) 6 months Mudaraba Term Deposit — 8.28 per cent, (h) Mudaraba Savings Deposit — 6.75 per cent and (i) Special Notice Accounts — 4.95 per cent.

This was decided at a meeting of the Board of Directors held at the Board Room of the Bank recently, says a press release.

### IFIC Bank Ltd proposes 15 pc bonus share

International Finance Investment and Commerce Bank Limited at its 184th meeting of the Board of Directors held on Monday proposed 15 per cent bonus share as dividend to the shareholders for the year 1996.

The meeting was presided over by ASF Rahman, Chairman of the bank, says a press release.

During the year 1996 the bank made a profit of Tk 66.30 crore. After making all necessary provisions, the pre-tax profit of the bank stood at Tk 11.85 crore.

The accounts for 1996 and balance sheet of the bank as on 31st December, 1996 were earlier approved by the Board of Directors.

As on 31st December, 1996, deposit of the bank stood at Tk 1453.00 crore including deposits of Karachi and Lahore branches as against Tk 1315.08 crore last year recording an increase of Tk 137.92 crore.

### Square introduces inhaler products

Square Pharmaceuticals Ltd, one of the largest pharmaceutical companies of the country has recently introduced inhaler products for treatment of asthma, says a press release.

The production and marketing of inhaler products by Square Pharma has widened the scope to avail the medicine at an economical price by the majority of asthmatics patients in the country. Most of the imported inhaler products are quite expensive and not readily available in the local market.

Medications with inhaler products provide minimum side effects due to low and specific dose, and the technology is well accepted as the least line treatment of mild to severe asthma in the developed countries.

### Manila lowers inflation target

MANILA, May 28: Philippine economic planners Wednesday revised downward their predictions for average inflation in 1997 to between 5.2 per cent and 5.7 per cent from an original target of six per cent to 6.5 per cent, reports AP.

In an overview of the Philippines' economic health, the National Economic and Development Authority noted that inflation over the first quarter averaged 4.7 per cent.

This was, NEDA said, "way below what the government expected" given the recent deregulation of the oil industry and a rise in the minimum wage.

April inflation was 4.6 per cent.

NEDA said that with continued prudent monetary policy, a healthy fiscal balance and the absence of cost pressures, the inflation outlook for the months ahead appears very positive.

## GSP for knitwear export to EU states

# BTMA opposing 2-stage transformation

By Staff Correspondent

Bangladesh Textile Mills Association (BTMA) opposing two-stage transformation of knitwear to avail the Generalised System of Preference (GSP) from the European Union.

Expressing its concern over the government's move to change the existing rules of three stage transformation of knitwear to two-stage, it said this would flood the market with foreign yarn and put local yarn industries in difficulties.

The BTMA in a press release yesterday said that the initiative for two stage transformation would mean that the use of Bangladeshi yarn would no longer be a factor for obtaining GSP for knitwear export as imported yarn would be allowed to be freely used for such production.

The association said Indian cotton is now sold locally at 30 per cent below the international prices at which Bangladesh imports the item.

As a result the price of Bangladeshi yarn will be 25-30 per cent higher than Indian yarn, it observed.

Under this situation if requirement for use of Bangladeshi yarn is withdrawn, inflow of Indian yarn will increase which would put the local spinning industry in an uneven competition.

Eventually, the spinning sub-sector will turn sick and face ruin, the Association maintained.

This will defeat the objective of the textile policy to set up 242 spinning mills as linkage industries to attain self-sufficiency in clothes and other related field by 2005, the press release noted.

As a result, entrepreneurs will not be interested to invest in this sub-sector, knowing that the industry will not be viable if the present attempt of the government turns successful.

Because of the European Union's strictness in following the three-stage transformation for knitwear, existing spinning mills have also become interested in producing great quantity of export quality yarn, BTMA said.

BTMA is confident that if the present favourable policies are continued, Bangladesh will be able to become self-sufficient in yarn in the next five years.

The Association alleged that due to the adoption of un-planned open market policies and unrealistic tax and tariff regime of the government, the local market has already been flooded with all types of imported and smuggled Indian goods including yarn.

BTMA feels that the government should take immediate steps for more investments for producing better quality yarn to face the stiff competition in the future. Otherwise, Bangladesh will have to be dependent on foreign yarn and fabrics, particularly on India because of its proximity, it observed.

## US cos likely to hire more workers

CHICAGO, May 28: Nearly one third of US companies plan to hire additional workers this summer in "the strongest third quarter hiring intentions since 1988," according to a quarterly survey by Manpower Inc, released yesterday, reports AFP.

Manpower, based in Milwaukee, Wisconsin, said it survey of more than 16,000 companies showed that 30 per cent would be looking for additional workers this summer, five per cent planned staff cutbacks, 61 per cent expected no change and four per cent were not yet certain.

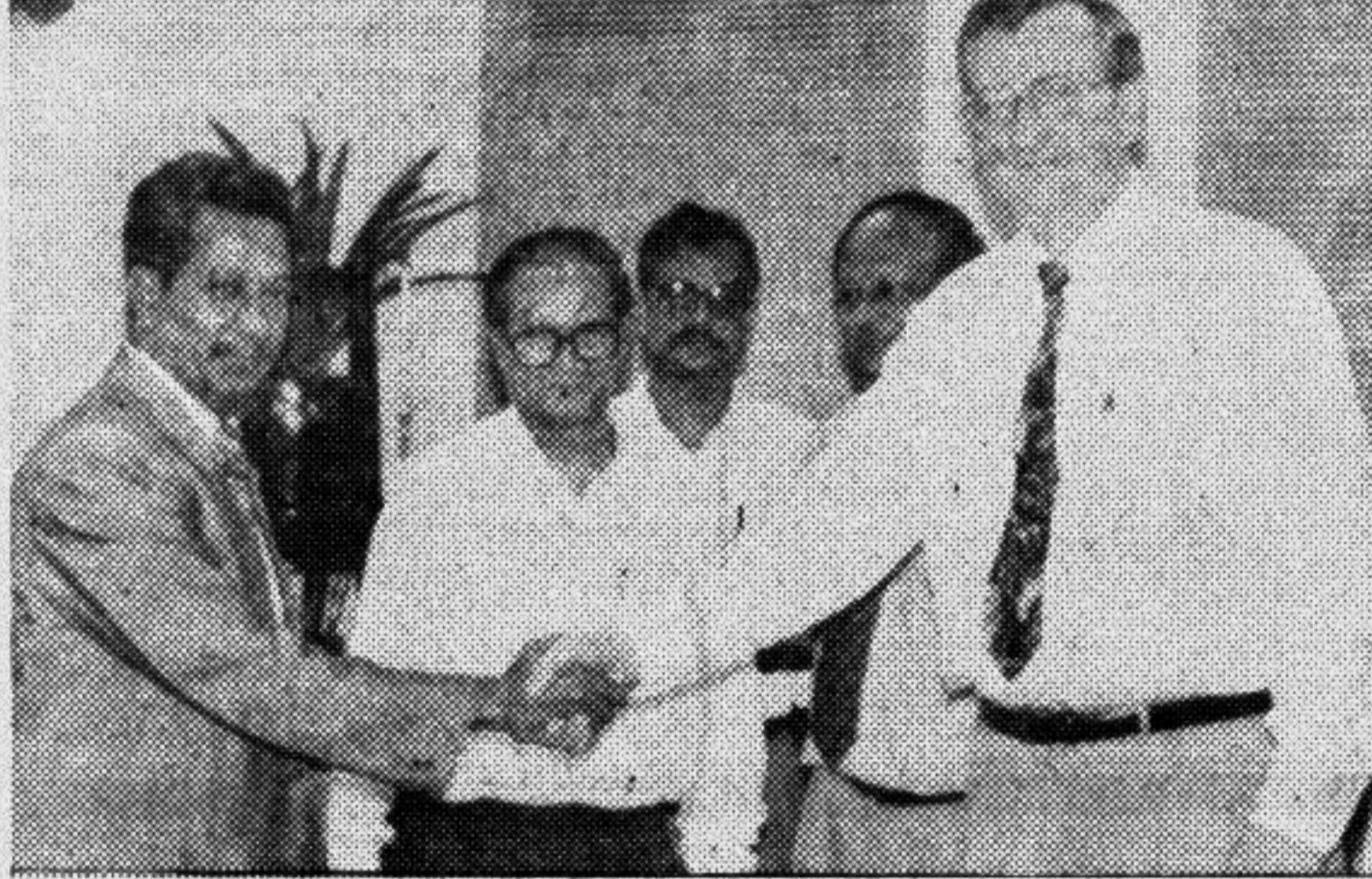
Three months ago, 28 per cent of the companies had announced plans to boost employment, six per cent had planned cuts, 63 per cent had expected to remain at the current level and three per cent had said they were unsure.

A very unusual combination of factors is at work in the labour market, underlying the strongest third quarter hiring intentions since 1988, said manpower chairman Mitchell Fromstein.

The employment Outlook Survey found that all regions expressed hiring intentions not surpassed since the boom years of 1988-89, but once again the job outlook was the brightest in the Midwest.

Not surprisingly at this season, the construction industry shows the strongest hiring intentions with 40 per cent planning to hire more workers and four per cent expecting to trim down, the survey said.

Durable and non-durable goods manufacturing, transportation and public utilities, wholesale and retail trades as well as services also expect to boost hiring significantly, it added.



Nuruddin M Kamal, Chairman of PDB and George B Jongeling, President of Smith Cogenerations, USA shaking hands after initialising an agreement in the city on Sunday for installation of a 100-MW barge mounted power plant at Sikalbaha in Chittagong in private sector



Building Technology and Ideas Ltd hosted a welcome meeting at Celestine Apartment in the city on the occasion of handing-over the project recently. Deputy Managing Director Engr F R Khan, senior executives of BTI and the flat-owners attended the meeting.

Economic diplomacy has become the latest buzz word in Pakistan amid frequent foreign trips by its top leaders to seek balance of payment support to overcome the country's continuing short-term foreign exchange crunch.

The latest such mission is Prime Minister Nawaz Sharif's trip to Saudi Arabia and Brunei scheduled in the next couple of weeks.

"Finance Minister Sartaj Aziz has already taken care of Pakistan's relations with the Paris-based Aid-to-Pakistan consortium, the International Monetary Fund (IMF) and the World Bank during his recent meetings with them in Paris and Washington," a senior official said.

He said for the same purpose President Farooq Leghari had recently visited China and the United Arab Emirates (UAE).

These trips coincide with growing concerns among experts of an impending cash crunch in the next two months

## DORP gets Japanese grant for cyclone-hit people

Yoshikazu Kaneko, Ambassador of Japan to Bangladesh, has signed a contract of Japanese grant assistance for grass roots projects (AGRP) with the Development Organization of the Rural Poor (DORP) yesterday, for 34,709 US dollars, reports BSS.

AHM Nouman, Secretary-General signed the contract on behalf of DORP.

Considering the importance of an urgent relief for the cyclone affected people, the government of Japan under the NGO support programme has decided to extend the amount as financial support to DORP. This amount will be utilised for purchasing CI sheets, medicines, and hand tubewells etc for the affected people, a press release said.

Japan is also considering to extend financial assistance in the rehabilitation projects of the cyclone-affected areas such as education institutions, health and medical clinics and other basic human resource infrastructures.

## OECD, Russia sign protocol

PARIS, May 28: The OECD and Russia signed a protocol here Tuesday setting up a special liaison committee to oversee cooperation between the two sides and monitor the Russian economic reform process, reports AFP.

The signing took place at a ceremony at OECD headquarters here shortly after the end of the annual ministerial meeting of the 29-nation Organization for Economic Cooperation and Development (OECD).

Several ministers said they saw the protocol as a "political signal" of Western support for President Boris Yeltsin's renewed efforts to speed up market-based reforms in Russia.

The liaison committee will be composed of delegates from all OECD countries and the OECD secretariat as well as representatives of the Russian government, and will meet "periodically" at ambassadorial level and at ministerial level, notably in conjunction with OECD ministerial meetings.

The protocol, which marked a strengthening of a 1994 cooperation accord between the two sides, was signed for Russia by Foreign Minister Yevgeni Primakov and for the OECD by its Secretary General Donald Johnston.

French Finance Minister Jean Arthuis, who chaired the OECD meeting, co-signed the document.

The OECD began working with the then Soviet Union in 1990.



Kazi Zafar Ullah, Chairman of Privatization Board, addressing the members of the Foreign Investors' Chamber of Commerce and Industry at a meeting at the chamber office in the city yesterday. FICCI Committee Member A B A Siraj Uddowlah presided over the meeting.

## RBI chief urges cos to restore investors' confidence

BOMBAY, May 28: The chief of India's central bank today asked companies to restore investor confidence in the capital markets after a series of scams and frauds, reports AFP.

"Corporates have not lived up to their promises in the case of issues made in the early 1990s," Reserve Bank of India Governor Chakravarty Rangarajan told the second annual Indian stock exchanges summit here.

"This is one of the reasons cited for the disenchantment of investors," he said.

Rangarajan said the best indicator of investor confidence was the amount of money raised by companies by new share floats.

"New capital raised by the private sector was only around six billion rupees (171 million dollars) in 1981-82. This rose to 200 billion rupees (5.7 billion dollars) in 1992-93 and to 260 billion rupees (7.4 billion dollars) in 1994-95.

"Since then there has been a decline, and it is reported that the amount raised from the market in 1996-97 was only 105 billion rupees (three billion dollars)," he said.

Rangarajan said this sharp fall put "considerable pressure on the banking system and which led to the rise in the rate of interest."

"The only way the private corporate sector can raise more funds from the primary market is by ensuring that middle class investors are lured back to the market," he said.

India's capital markets were opened up by New Delhi in 1992 as part of radical pro-market reforms.

But a series of scams and frauds perpetrated by crooked brokers, merchant bankers and officials have led to investors losing huge sums of money, damaging investor confidence.

Rangarajan said investor confidence could be rebuilt only if the corporates performed well and investors were convinced of profits.

Estimates put the number of Indian capital market in-

## China may have less foreign investment this year

BEIJING, May 28: China expects to absorb between 30 billion and 40 billion dollar in total foreign investment in 1997, down from 55.2 billion dollar in 1996, the official Xinhua News Agency said Monday, reports AP.

The amount is still large for China, the state-run Xinhua News Agency quoted Li Xiaoli of the State Council's research office as saying. He did not elaborate on the decline.

Li said China could continue to draw such a large amount of foreign investment because it has successfully controlled its overheated economic growth and plans to adopt more flexible economic control policies.

Other factors favouring investment included the acceleration of the reform of state-owned enterprises and development of more backward areas in the central and western parts of the country, Li added.

Earlier reports indicated foreign investment was unusually high in 1996 as investors rushed to beat the end of exemptions from tariff payments on imports of capital equipment for Sino-foreign joint ventures.

Moreover, as China's economy slows after four consecutive years of double-digit expansion in the country's gross domestic product, some reduction in foreign investment flows is inevitable, analysts said. To help keep price rises in check, the government is taking a restrictive stance on investments that could be inflationary.



Zabir Karim, Station Manager, Thai Airways International Public Company Ltd, presented a commemorative gift to the lucky 37th check-in passenger at Zia International Airport recently, marking the 37th anniversary of the airlines. Captain D Ronald of flight TG322 and customer service personnel are also seen.

## Pak economic diplomacy to overcome balance of payment crisis

Tariq Butt writes from Islamabad

ment has moved fast to lay the foundation for a future agreement by announcing measures such as wide-ranging cuts in import tariffs, which foreign donors have been demanding for almost four years.

An IMF staff mission-led by senior economist Antonio Furtado has just left Islamabad after week-long consultations with Finance Ministry officials. The official said targets for revenue, domestic bank borrowing and the budget deficit for the next financial year were among the issues discussed.

The next IMF mission is to visit in July to continue with a Staff Monitored Programme (SMP), which basically gives the Fund access to Pakistan's economic progress without involving loan disbursements. The SMP would be an important stepping stone towards a medium-term agreement.

Meanwhile, deposits in foreign currency accounts (FCAs), held by both resident and non-resident Pakistanis, have risen close to 9.5 billion dollars from eight billion dollars just eight months ago.

The recent upsurge in FCAs is similar to the one in 1993-94 when the inflow in FCAs, especially those held by resident Pakistanis, reached an all-time high and financed a quarter of the country's current account deficit.

## Shipping Intelligence

CHITTAGONG PORT										
Berth position and performance of vessels as on 28.5.97										
Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving				
J/1	Banglar Maya		G	Cal	BSC	23/5	28/5			
J/2	Able Lieutenant (Roro/24)	Vehi/Idle		Kaoh	BBA	26/5	28/5			
J/4	Green Opal		G	Sing	Prog	21/5	30/5			
CCT/1	Ultima		G	COS	Prog	24/5	30/5			
J/6	Ocean Rover		G/Idle	Sing	Fairmax	R/A	28/5			
J/7	Grace Marine		G	Sing	Everett	22/5	28/5			
J/8	Padma		G	Sing	RSL	22/5	28/5			
J/9	Leona		G	Rang	Prog	22/5	28/5			
J/10	Esco Argo		G	Bang	Prog	20/5	28/5			
J/11	Lampunin Naver		G	Sing	RSL	24/5	30/5			
J/12	Banglar Asha/Khanak	Wheat (G)		K. DIA	BSC	R/A	29/5			
J/13	Kota Selamat		G	Sing	PIL (BD)	20/5	28/5			
CCT/1	Ultima		G	Mong	Baridh	24/5	30/5			
CCT/2	Fong Shin		G	Sing	Bdship	18/5	28/5			
CCT/3	Some (F. Naval Ship)		G	Sing	SW	26/5	30/5			
RM/14	Fong Lee	Repair/								
CGJ	Banglar Shobha	C. Clank		Kara	BSC	R/A	31/5			
OSI	Mihalis-F	Wheat (G)		Repair	SSST	R/A	29/5			
OSI	Banglar Khatun	Wheat (G)		Mumb	BSC	R/A	29/5			
RM/3	Techmat Pioneer	Cement		Sing	PSAL	R/A	2/6			
RM/4	Bunga Kesumba	C. Oso		Drag	TSL	21/5	29/5			
RM/6	Haz Woo No. 2	Cement		Sing	RML	R/A	29/5			
DOJ	Banglar Shourabh	Cement		Sing	BSC	R/A	29/5			
DD	Rafiqi	Repair		Mong	KSL	29/4	28/5			
DDJ/1	Tamary Star	Idle		Para	PSAL	8/6	-			
CUPLJ	Blue North	Cement		Sing	PSAL	3/6	-			

VESSELS DUE AT OUTER ANCHORAGE					
Name of vessels	Date of arrival	Last port call	Local agent	Cargo	Loading port
Tug Deda	28/5	-	AHZ	-	-
Ilocos Firon	28/5	-	AHZ	-	-
Mecca-1	28/5	-	Jedd	BSC	-
Banglar Khatun	29/5	-	Mong	BSC	-
Steamers Future 17/5	29/5	-	COL	Bdship	Cont
Penguin	3/6	-	Mumb	Cross	GI
Jiang Cheng	3/6	-	S. Hal	PSAL	China
Dongola	3/6	-	Adab	Litmond	Fert
Vientian	3/6	-	CAL	Fairmax	GI (Pulses)
Banglar Robi 13/5	3/6	-	Sing	BSC	Cont
Sokol	3/6	-	Sing	Seacom	M Seeds
AL Salma	3/6	-	Yang	ASLL	GI/GL
Yan Chuan	3/6	-	Dwan	Prog	GI
Sa Bee	3/6	-	OTL	OTL	-
Sukarawan Naree	3/6	-	OIL	GI	-
Kota Alal 10/5	3/6	-	Sing	PIL(B)	Cont
Bong Sar	3/6	-	Sing	Seacom	Sugar (G)
Prudent Challenger	3/6	-	Sing	Seacom	Sugar (G)
Sky Sun	3/6	-	BUS	Prog	GI
Freesia 22/5	1/6	-	Sing	RSL	Cont
QC Teal 25/5	1/6	-	Sing	FUSL	Cont
Dragon Sintosa 25/5	2/6	-	COL	Baridh	Cont
Pukchang	2/6	-	OTL	Litmond	Salt
Ya Mulee	2/6	-	Sing	PSAL	Cont
M. Regina (Cont) 17/5	2/6	-	Sing	PIL (BD)	Cont
Banglar Moni 26/5	3/6	-	Sing	BSC	Cont
Chosun Hpa 26/5	3/6	-	Lian	OTL	Soda Ash
Meng Yang 24/5	3/6	-	Sing	AML	Cont
QC Pintal 26/5	3/6	-	Sing	QCSL	Cont
Kota Bintang 27/5	6/6	-	Sing	PIL (BD)	Cont

VESSELS AT KUTUBDIA					
Name of vessels	Cargo	Last port call	Local agent	Date of arrival	
Ismaya	-	-	B. Bay	9/1	
Orizont	-	-	B. Bay	26/2	
Mighty Tide	-	-	B. Bay	R/A (1/5)	

VESSELS AT OUTER ANCHORAGE: READY ON:					
Name of vessels	Cargo	Last port call	Local agent	Date of arrival	
Nei Jiang	GI	Sing	Prog	24/5	
Taecheon	Cement	Sing	Cosmos	R/A (18/5)	
Kota Berjaya	Cont	Sing	PIL (BD)	25/5	
Hpaon	Cont	Yang	MTA	25/5	
Elbe Star	Cont	Sing	Bdship	25/5	
DA FU	Cont	Sing	APL (B)	25/5	
Nei Del Mar	Vehi	Sing	APL	25/5	
Socrates	Sugar (G)	Sing	Derb	25/5	
Vanessa	Cement	Sing	PSAL	25/5	
George	Cement	Sing	PSAL	16/5	
Xing Ye	R. Seed	Abut	AASS	22/5	
Dignity	SKO	Adent	ECSS	25/5	
Pioneer Rossi	GI	Ancl	18/5		

MOVEMENT OF VESSELS FOR 29.5.97					
Outgoing	Incoming	Shifting			
J/5	RQ Mar	J/1	Macca-1	J/9	Leona to Kafco (A)
J/7	G Marine	OCT/1	Elbe Star	DOJ	B Shourabh to RM/4
J/8	Padma	J/9	Jiang Cheng	J/10	Xing Ye to J/5
AP/2	Asha	NB	St. Patur	J/10	H Woo No 2 to RM/4
CCT/1	Ultima	NB	Lian Sha		
GSI	Mihalis	DOJ	B Jyoti		
RM/4	B Kesumba	J/13	Kota Berjaya		
		J/12	DA FU		
		J/8	Nei Jiang		
		J/10	George		
		J/7	Tae Chon		

## One hr interruption of CityCell service

Due to upgradation work of Cellular Exchange of Pacific Bangladesh Telecom Limited, CityCell's cellular service will be interrupted for about one hour from approximately 4:00 AM on early hours of May 30. This updating is being done to enhance CityCell's subscriber facilities, says a press release.

## Saudi-Kuwaiti plan to boost capacity in jt oil fields

KUWAIT CITY, May 28: Kuwait and Saudi Arabia plan to raise oil production capacity from a neutral zone shared by the two countries to 300,000 barrels per day (BPD) by the end of the decade, an official said yesterday.

It is a comprehensive plan to produce and process and ship a total of 300,000 barrels per day (BPD) by 2000 from the neutral zone, the Kuwait Oil Company (KOC) official told AFP, asking not to be named.

Output from the area straddling the border with Saudi Arabia in the south of Kuwait is now about 240,000 BPD and is shared equally by the two countries, the official said, confirming a report in the newspaper Al-Watan.

The report said the plans envisage boosting production capacity further to 420,000 BPD by 2005. The KOC official could not confirm this figure, but said the target was in that range.

Actual output from Kuwait and Saudi Arabia, including the neutral zone, is limited by quotas set by the Organisation of Petroleum Exporting Countries (OPEC) of two million BPD and eight million BPD, respectively.

The neutral zone was established by a boundary convention in 1922, and the two countries are represented in the area by the state-owned KOC and Saudi Arabian Texaco.

Kuwait plans to raise its total production capacity to three million BPD by 2005, while current capacity is around 2.4 million BPD. Kuwait's actual output is in line with the OPEC quota of two million BPD.