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BUSINESS



HYUNDAI
CARS THAT MAKE SENSE

DHAKA WEDNESDAY, JUNE 4, 1997

Dhaka to get \$19m loan from IFAD

A soft loan agreement for Agricultural Diversification and Intensification Project was signed in Rome on Thursday between Bangladesh and International Fund for Agriculture Development (IFAD), reports UNB. Muhammad Mejbahuddin, Economic Counselor of Bangladesh Embassy in Rome and IFAD President Fawzi H Al-Sultan signed the agreement on behalf of Bangladesh and IFAD. Bangladesh Ambassador to Italy Muhammad Zamir was present there.

The project will cover four districts — Tangail, Gazipur, Narsingdi and Kishoreganj, and it has four components — Agriculture Development, Community Development, Rural Development and Credit and Community Infrastructure.

The total project cost will be US dollar 32.3 million of which IFAD will contribute US dollar 18.9 million, said a press release yesterday.

UNCTAD lauds working facilities under BEPZA

The UNCTAD delegation has commended investment promotional campaign of Bangladesh Export Processing Zones Authority (BEPZA), said a BEPZA press release here yesterday, reports BSS.

The commendation was expressed by the visiting Regional Coordinator of United Nations Conference on Trade and Development (UNCTAD) Division on Transnational Corporation and Investment, Urs Nagel, during a meeting with the Executive Chairman of the BEPZA, Moazzem Hossain Khan on Monday.

The three-member UNCTAD delegation was shown a documentary film on the entire gamut of activities of the EPZs of Bangladesh with particular emphasis on various infrastructural facilities and financial incentives offered by BEPZA to the investors.

They expressed satisfaction at the working environment and facilities offered by the BEPZA.

The visiting delegation also discussed BEPZA's participation in UNCTAD country programme. It will immensely benefit BEPZA's investment promotional campaign throughout the world, the press release added.

Myanmar to get \$17.2m debt relief grant from Japan

YANGON, June 3: Japan has agreed to provide Myanmar a two billion yen (17.2 million dollars) debt relief grant, the Japanese Embassy said Monday, reports AP.

Brown, who stunned financial markets within days of taking office last month by giving the Bank of England freedom to set interest rates, has said the theme of his first budget would be "welfare-to-work."

The centerpiece will be a "windfall" tax on the profits of privatised utility companies, expected to raise three to five billion pounds which will be used to create work for 250,000 young and long-term unemployed people.

Prime Minister Tony Blair said on Monday that the welfare system had to be reformed to help people help themselves, while providing for those who could not.

The government also wanted to encourage people like single mothers to get back into employment.

"This is empowerment, not punishment," Blair said.

The Chancellor again demonstrated his boldness on Monday by appointing two foreign economists — American Deanne Julius and Dutchman Willem Buiter — to the new Monetary Policy Committee at the Bank of England which will set interest rates.

Other outside members will be Professor Charles Goodhart and Sir Alan Budd, Chief Economic Adviser to the Treasury. The four Bank of England representatives, led by central bank Governor Eddie George, had already been named.

As Brown prepares the first budget from a Labour government in 19 years, the main question in most economists' minds is not whether he will

Present method of goods handling at Mongla Port to continue

The Mongla Port Authority and all the agencies of port users at a joint meeting Monday unanimously decided to continue all activities of the port uninterrupted, reports BSS.

The meeting, held at the Prime Minister's Office, also decided to continue the present method of goods handling at the port. It also discussed the cost bearing system in handling goods by the owners of the goods and other issues.

Shipping Minister ASM Abdur Rab, Prime Minister's Political Adviser Dr S A Malek, Deputy Minister of Shipping Dharendra Dev Nath Shambhu, Shipping and Food secretaries were present on the occasion.

Besides, coordination committee of Mongla Port users, Khulna C and F agents' Association, Bangladesh Cargo Vessels Owners' Association, Khulna Industry and Traders' Samity, Mongla Port Stevedores' Association, Khulna Divisional Internal Water Transport Owners Group, Bangladesh Cement Importers Association, Bangladesh Jute Association and Mongla Port Workers Organisations' representatives were also present in the meeting.

The meeting decided to ensure proper management of Mongla Port at any cost.

It also decided to ensure highest cooperation to each other from all quarters to bring about dynamism in the port activities.

Agri-business experts opine Dried fruits, vegetables have great export potential

Dried and dehydrated fruits and vegetables have great export potentials, opined agri-business experts here, reports BSS.

They said the United States of America (USA) had imported 36,436 metric tons of dried coconut, 2,432 metric tons of dried banana, 708 metric tons of dried mango and 833 metric tons of dried papaya in 1995.

The United States also imported dried vegetables worth 96.1 million US dollars in 1992. Besides, the US imports a huge quantity of dried tomatoes and mushrooms.

Japan is the largest importer of dehydrated vegetables. The import value of dehydrated vegetables in Japanese market amounts to 208.4 million US dollars which occupies 19 per cent of the world import.

Hong Kong is the second largest importer of dehydrated

vegetables. The import of Hong Kong amounted to 171.2 million US dollars in 1992.

Germany is the largest European and third largest world market for dehydrated vegetables. German trade amounted to 107.8 million US dollar in 1992.

The experts opined that fruit and vegetables growers in Bangladesh could expand their market by exporting dehydrated food products like pineapples, papayas and tomatoes.

Only one Bangladeshi producer is now exporting dehydrated mushrooms to France on a trial basis and has signed a contract with a US company to export dehydrated products, they said.

Soup processors are the largest buyers of dehydrated vegetables who buy hot air processed vegetables for making dried packet-soup. Most of them want potatoes, onions, tomatoes, leeks, carrots, peas, mushrooms, asparagus, garlic, paraley, bell peppers, cabbages and cauliflower.

A wide variety of manufactured foods have dehydrated vegetables as their ingredients, such as rice mixes, sauces, microwave meals, and bakery, dairy, meat, fish and baby food products.

Dried coconut is mainly used in the confectionery and candy industries while dehydrated banana, mango, papaya and pineapples are generally consumed as snacks.

One expert said "dried pineapple, mango and banana offer consumers a fat-free alternative to other snacks."

Nutrition labelling, which began recently, has a very positive impact on the dried food market as it helps people know the food value of a particular product, they added.

Earlier in the day, a State Department spokesman said the Clinton administration would decide later this week whether to support a six-month renewal of the deal, which lets Iraq sell up to 2 billion US dollars worth of oil and use the money to buy food and medicine.

"We will study the issue closely and make our determination closer to the time of renewal," spokesman John Dinger told reporters.

UN Secretary General Kofi Annan on Monday recommended that the oil-for-food deal, which first went into effect



A three-member UNCTAD delegation meet the Executive Chairman of BEPZA, Moazzem Hossain Khan, in the city on Monday.

Labour govt presents budget July 2 Windfall tax on private utility cos likely for creating jobs

LONDON, June 3: Britain's new Labour government will have a chance to demonstrate just how radical it intends to be when it presents its first budget on Wednesday, July 2, reports Reuter.

Chancellor of the Exchequer Gordon Brown announced the date on Monday, breaking the recent tradition of holding budgets on a Tuesday to avoid a clash with the handover of Hong Kong from Britain to China.

Brown, who stunned financial markets within days of taking office last month by giving the Bank of England freedom to set interest rates, has said the theme of his first budget would be "welfare-to-work."

The centerpiece will be a "windfall" tax on the profits of privatised utility companies, expected to raise three to five billion pounds which will be used to create work for 250,000 young and long-term unemployed people.

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As Brown prepares the first budget from a Labour government in 19 years, the main question in most economists' minds is not whether he will

increase taxes but by how much. Although the public finances are in reasonably good shape, economists say some increase in taxes is necessary to dampen runaway consumer spending and prevent a resurgence in inflation.

Brown must perform a difficult balancing act, keeping Labour's election promise not to raise the tax burden on ordinary people while demonstrating that the party can make a difference to unemployment and the quality of key public services — all while keeping financial markets happy.

The new Chancellor's Bank of England reforms made it clear that he is not afraid of radical moves and raise the possibility that the first full Labour budget since April 1978 may be more far-reaching than financial markets expect.

However, the fact that Brown will have little time to prepare for his first big moment at the despatch box could suggest a more modest package is likely.

Assam govt's move to cancel leases of tea gardens opposed

GUWAHATI, June 3: The Bengal Chamber of Commerce and Industry (BCCI), Guwahati chapter, has expressed indignation at the reported move of the Assam government to cancel leases of loss making tea gardens and hand them to young entrepreneurs, reports PTI.

In a letter to the Chief Minister, Prafulla Kumar Mahanta and Industry Minister, Gunin Hazarika, the BCCI questioned the logic and legality of such a move which it feared would have a far reaching adverse effect on the economic development of the state and the N E region.

History is replete with instances of how such short-sighted populist moves have spelled disaster and no state in the current economic situation can afford not to learn from the lessons of history, the BCCI said in a strongly worded letter a copy of which was released to the press here Monday.

The body said that Assam had an extremely poor image among the prospective investors in the country and abroad and such an arbitrary and illogical move would send wrong signals to the prospective investors thereby frustrating the efforts initiated by the chamber with active support of the state government to attract investment.

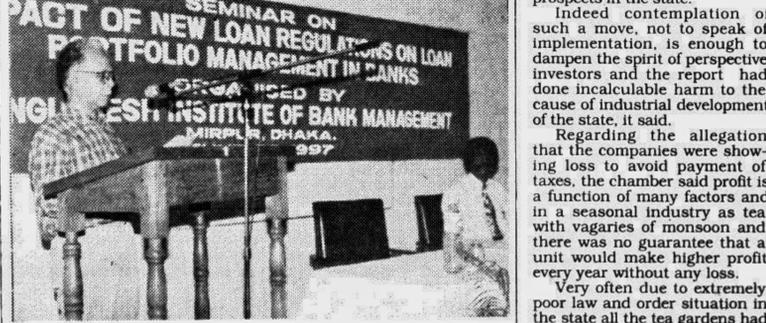
Recent press reports had cited that the Assam government would serve show cause notices to 208 tea companies in the state which were showing perennial loss and cheating agriculture income tax and hand them over to young entrepreneurs which raised a controversy.

The BCCI said within a brief period of three months from the setting up of its Guwahati chapter, senior consulate and high commission officials had started visiting Assam with a view to explore investment prospects in the state.

Indeed contemplation of such a move, not to speak of implementation, is enough to dampen the spirit of prospective investors and the report had done incalculable harm to the cause of industrial development of the state, it said.

Regarding the allegation that the companies were showing loss to avoid payment of taxes, the chamber said profit is a function of many factors and in a seasonal industry as tea with vagaries of monsoon and there was no guarantee that a unit would make higher profit every year without any loss.

Very often due to extremely poor law and order situation in the state all the tea gardens had to incur heavy expenditure on security and on providing protection to life and property which eroded substantially the profitability of a tea estate, the letter said.



A H M Nurul Islam Choudhury, Director General, BIBM, speaking at the inaugural session of a seminar on Impact of New Loan Regulations on Loan Portfolio Management in Banks held at BIBM. High officials of banks and financial institutions attended the function.

US to vote for renewal of Iraq-UN oil deal

WASHINGTON, June 3: The United States will vote to approve renewal of the Iraqi 'oil-for-food' deal, which expires on June 7, a source familiar with the decision said on Monday, reports Reuter.

The source, who asked not to be identified, said the United States "will be looking favourably toward the rollover, but the vote (in the United Nations) won't be for a couple of days."

Earlier in the day, a State Department spokesman said the Clinton administration would decide later this week whether to support a six-month renewal of the deal, which lets Iraq sell up to 2 billion US dollars worth of oil and use the money to buy food and medicine.

"We will study the issue closely and make our determination closer to the time of renewal," spokesman John Dinger told reporters.

UN Secretary General Kofi Annan on Monday recommended that the oil-for-food deal, which first went into effect

in December, should be renewed on the same terms.

Most members of the UN Security Council, which must approve renewal of the deal, have said they would like to see the agreement approved under current terms or even increased. The US mission to the UN concurred with Annan's recommendation, the source said.

Pre-budget discussion with Sylhet chamber leaders

Leaders of the Sylhet Chamber of Commerce and Industry in a pre-budget discussion with the Finance Minister Monday called for making the tax administration more dynamic and easing tax-collection process, reports UNB.

"If done, it would result in an increase in number of taxpayers and revenue income," the chamber leaders told the meeting held at the finance ministry.

They submitted some important recommendations on the next fiscal year's budget.

FBCCI president suggests DSE should expand its membership

President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Yousuf Abdullah Harun Monday urged the private sector to "take more responsibility" for gaining confidence of the people and the government.

"We want to take more responsibility on our shoulders so that the people and the government can trust us and rely on us," he said yesterday while exchanging views with the members of the Dhaka Stock Exchange and the visiting Chairman of Bombay Stock Exchange (BSE) MG Damani and Vice-President of Thailand Stock Exchange Siri Kanchana at the DSE auditorium.

The FBCCI president said the DSE members should be more transparent in actions and accountable to customers to restore the confidence of the people in the capital market.

DSE Chairman Abdul Huq Howlader and Vice-Chairman



A K N Ahmed, a former governor of Bangladesh Bank, handing over a cheque for Tk 2 lakh to Lutfar Rahman Sarkar, Governor, Bangladesh Bank on Monday for Nurul Matin Memorial Lecture Fund.

WWF, UN urge top fishing nations to slash subsidies

GENEVA, June 3: Government subsidies have so bloated the world's fishing industry that fish are being wiped out faster than they can reproduce, the United Nations and a leading environmental organisation said Monday, reports AP.

The World Wide Fund for Nature and the UN Environment Programme urged top fishing nations to slash the 50 billion dollars plus subsidies they pay the industry.

Governments pour the money into overcompetitive fishing fleets that continue to lose money and deplete fish stocks at an alarming rate, the groups say.

A WWF report estimates the world's fishing industry spends 124 billion dollars annually to generate revenues of 70 billion dollars. That means the world's taxpayers have to make up the other 54 billion dollars.

Over-fishing and wasting of unneeded catches have driven once common species like cod and halibut to commercial extinction and threaten the livelihood of tens of millions of people, WWF and UNEP said.

According to UN estimates cited in the report, about 70 per cent of the world's fisheries are either fully exploited, over-exploited, depleted or slowly recovering from over-fishing.

Subsidies artificially inflate the profitability of fishing, stimulating new investment which would otherwise not occur, WWF International Director-General Claude Martin told reporter.

"They send the wrong economic signal to participants in depleted fisheries by creating incentives for ... high-levels of

fishing, Martin said.

During the past four decades, the capacity of world fishing fleets has increased five-fold while the productivity of most of the world's major fishing areas has declined, a joint WWF and UNEP report said.

WWF singled out the European Union for subsidising and deploying large numbers of fishing vessels to fish extensively in African waters, after depleting its own stocks.

Species particularly vulnerable are those which congregate to spawn, such as haddock, cod and grouper, along with those which migrate across national fishing zones where they are heavily fished in each of the zones, such as tuna, billfish and sharks.

ASEAN meet on economic vision for 21st century on June 14

JAKARTA, June 3: Economic ministers of the Association of South East Asian Nations (ASEAN) will meet in Jakarta on June 14 to discuss an economic vision for the next century, ASEAN Secretary-General Dato Ajit Singh said today, reports Reuter.

He said the one-day meeting was to enable the ministers to review a draft declaration of an economic vision for ASEAN to be adopted at an informal summit of ASEAN leaders to be held in Kuala Lumpur in December.

WB may okay \$1.7b loan for Russia in June

WASHINGTON, June 3: The World Bank is expected to approve nearly 1.7 billion dollars in loans for Russia this month to help it transform its economy, officials said on Monday, reports Reuter.

The loans will range from 26.2 million dollars to improve government analysis of the economy to an 800 million dollars credit to strengthen the country's social safety net, they said.

Negotiations on the jumbo 800 million dollars credit, the bank's biggest ever for Russia, were completed over the weekend.

The loan will be used to re-shape Russia's social protection programmes to help the poor and other vulnerable groups cope with fall-out from Russia's reforms. Key areas covered by the loan will be pensions, unemployment assistance, and welfare, including maternity and sick leave.

Bank officials said the lending agency's board is expected to consider the credit on June 26.

The other loans are expected to be taken up by the bank's board on Thursday. Aside from the 26.2 million dollars credit for government economic analysis, this package is comprised of: 600 million dollars for wide-ranging structural reforms throughout the economy, 71 million dollars to improve higher education through enhanced teaching methods reduced class sizes, more and better textbooks and other measures, 40 million dollar for health care reform.

Exchange Rates

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 03/06/97:

Buying			
	TT	OD Sight	OD Transfer
US Dir	43.5200	43.3522	43.2386
GB Pnd	70.8119	70.5223	70.3374
D Franc	25.0637	24.9612	24.8957
JP Yen	7.4314	7.4010	7.3816
F Franc	0.3719	0.3704	0.3694
C Dir	31.5326	31.4036	31.3213
S Franc	30.2867	30.1629	30.0838

Selling		
Name of Currency	T.T & O.D.	B.C.
US Dollar	43.8120	43.8650
GB Pound	71.8531	71.9349
D Mark	25.4819	25.5109
F Franc	7.5558	7.5644
JP Yen	0.3806	0.3810
C Dollar	32.0612	32.0976
Franc	30.8048	30.8397

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

	Selling	Buying
US Dir	43.8500	43.3500
GBP	70.8500	68.8500
S Riyal	11.8000	11.4000
UAE Dh	11.8500	11.3500
Ku Dinar	143.5000	138.0000

HK share prices close lower

HONG KONG, June 3: Prices on the Hong Kong Stock Exchange slumped Tuesday after three straight sessions of record highs, says AP.

The Hang Seng Index, the market's key indicator of blue chips, fell 230.73 points, or 1.5 per cent, closing at 14,760.17. On Monday, the index had surged 233.09 points.

Shipping Intelligence

CHITTAGONG PORT

Berth Position and Performance of Vessels as on 3.6.97.

Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Leaving
J/1	Mecca-1	Idle	Kara	BSC	29/5	3/6
J/2	Xing Ye	R Seed	Adut	AASS	22/5	10/6
J/5	Socrates/ Khanak	Sugar (G) Derb	Litmond	27/5	9/6	
J/6	Penguin	G Mumb	Cross	31/5	6/6	
J/7	Yin Chuan	G Kall	Prog	30/5	10/6	
J/8	Nei Jiang	G Sing	Prog	24/5	7/6	
J/9	Sukarawan	G Pusa	Oil	31/5	7/6	
J/10	Naree	George	Cement	PSAL	16/5	6/6
J/11	Taecheon	Cement	Sing	Cosmos	R/A	2/6
J/12	Freecia	Cont	Sing	RSL	1/6	5/6
J/13	Kota Alam	Cont	Sing	Pil (Bd)	30/5	5/6
CCT/1	Banglar Robi	Cont	Sing	BSC	31/5	3/6
CCT/2	Lian Sha	Cont	Sing	BBSH	R/A	4/6
CCT/3	Vanessa	Cont	Sing	RSL	27/5	3/6
CSJ	Banglar Shobha	C Clink	Kara	BSC	26/5	7/6
RM/4	Olympia	Cement	Lans	USTC	24/5	4/6
RM/5	San Giorgio	CDSO	Kaki	Seacom	2/6	7/6
RM/9	Freja Nordic	L Oil	Leix	Litmond	3/6	5/6
DOJ	Pioneer	Cement	Sing	PSAL	R/A	7/6
DD	Banglar Maya	Repair	Cal	BSC	23/5	8/6
DDJ/1	Tanary Star	Idle	Pira	PSAL	8/6	5/6
DDJ/2	Raffiu	Repair	Mong	KSL	29/4	5/6
RM/8	Mentis	Repair	Mumb	Cross	5/4	6/6
RM/9	Banglar Shourabh	Repair	BSC	R/A	6/6	
CULFJ	Blue North	Cement	Qing	PSAL	3/6	

Vessels due at outer anchorage

Name of Vessels	Date of Last Port Arrival	Local Agent	Cargo	Loading Port
Banglar Moni	26/5	4/6	Sing BSC	Sulp (GSP)
Ya Mujer	3/6	3/6	Pik USTC	Cont
M Regina	17/5	4/6	Sing Pil (Bd)	Cont
Elbe Star	1/6	4/6	Mong BBSH	Cont
Dragon	25/5	4/6	Col Baridih	Cont
Vientiane	5/6	4/6	Cal Fairmax	GI (Pulse)
Myohyang-3	5/6	5/6	BMA	R Seed
Boan San	5/6	5/6	Seacom	Sugar (G)
Stefanos	8/6	5/6	Chen RSA	GI (St Colls)
Meng Kiat	1/6	5/6	Sing AML	Cont
Kota Bintang	27/5	5/6	Sing Pil (Bd)	Cont
Qc Pintal	26/5	6/6	Sing QCSL	Cont
Kota Selamat	28/5	7/6	Sing Pil (Bd)	Cont
Overseas Valdez	6/6	6/6	Beira Ancient	Wheat (G)
Ultima	1/6	7/6	Baridih	Cont
Al Saima	7/6	7/6	Yang ASDL	GI/GL
Fong Yun	28/5	7/6	Sing BBSH	Cont
Diligence	7/6	7/6	Sing ASDL	Cont
Container	1/6	8/6	Sing QCSL	Soda Ash
Sokol	10/6	8/6	Lian OWSL	M Seed
Meng Yang	24/5	10/6	Sing AML	Cont
Fong Shin	2/6	11/6	Sing BBSH	Cont

Tanker Due

Name of Vessels	Date of Arrival	Local Agent	Cargo
Nidia	4/6	Sing BSC	SKO/MS
Athenian Victor	4/6	Abdu ECSL	HSD/JET-1
Aniva	4/6	Sing TSL	CPO/RBDP
Lady Jannicke	5/6	-	Seacom
Spiros	9/6	-	BSC

Vessels at Kutubdia

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Ismaya	-	-	B Bay	9/1
Orizont	-	Sing	B Bay	25/2
Mighty Tide	-	-	B Bay	R/A (1/5)

Vessels at Outer Anchorage

Ready On

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Pioneer Rossi	GI	Sing	ANCL	18/5
Pukchang	Salt	Kand	Litmond	1/6
Sky Sun	GI	Sing	Prog	2/6
Proteus	Cont	Sing	RSL	2/6
Silovenja	GI	Busa	Prog	3/6
QC Tel (Cont)	Cont	Sing	QCSL	2/6
Prudent Challenger	Sugar (G)	P Suda	Seacom	2/6

Vessels not Ready

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Ontario Laker	Cement	Sing	Bright	31/5
Mare	Urea	Cig	Litmond	24/5
Sant Ambrogio	CDSO	Mad	Rainbow	2/6

Vessels Awaiting Instruction

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Mukhtar Auezov	-	Ballast	Mong	Ancient
Banglar Kiron	-	-	-	BSC
Banglar Jyoti	-	-	-	BSC
Fong Lee	-	-	-	BBSH

Vessels not Entering

Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival
Xindga	Cement	Reju	PSAL	23/5
Dongola	Fert	Adab	Litmond	30/5
Hydroousa	Ballast	Monr	OTL	21/12
Ocean Rover	-	-	Fairmax	R/A (28/5)
Olympia-96	Scraping	Hoan	Get	3/3
Ilicos Flame	Scraping	Xing	Simmi	25/5
Sea Bee	Scraping	Sing	AHZ	30/5
Santorenti-1	Scraping	Viet	OTBL	30/5
Banglar Sampad	Scraping	-	RML	3/6