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HYUNDAI

CARS THAT MAKE SENSE

Unrest giving wrong signals to foreign investors: Chairman

Youngone to continue investment despite labour trouble

By Staff Correspondent

Youngone Group Chairman Kihak Sung yesterday said he is set to continue his investment in Bangladesh despite some scattered incidents which he termed 'wrong signals' for overseas investment in the country.

In a press conference at the Hotel Sonargaon, Kihak said many foreign missions, including the Japanese one, have been enquiring about the recent labour unrest at the Youngone factory that forced it to close down for four days.

Kihak said he tried his best to reopen the factory within four days after its closure due to labour unrest. Located at the Dhaka Export Processing Zone, Youngone Sportswear Industries Ltd of South Korea employed some 5,000 local workers and executives.

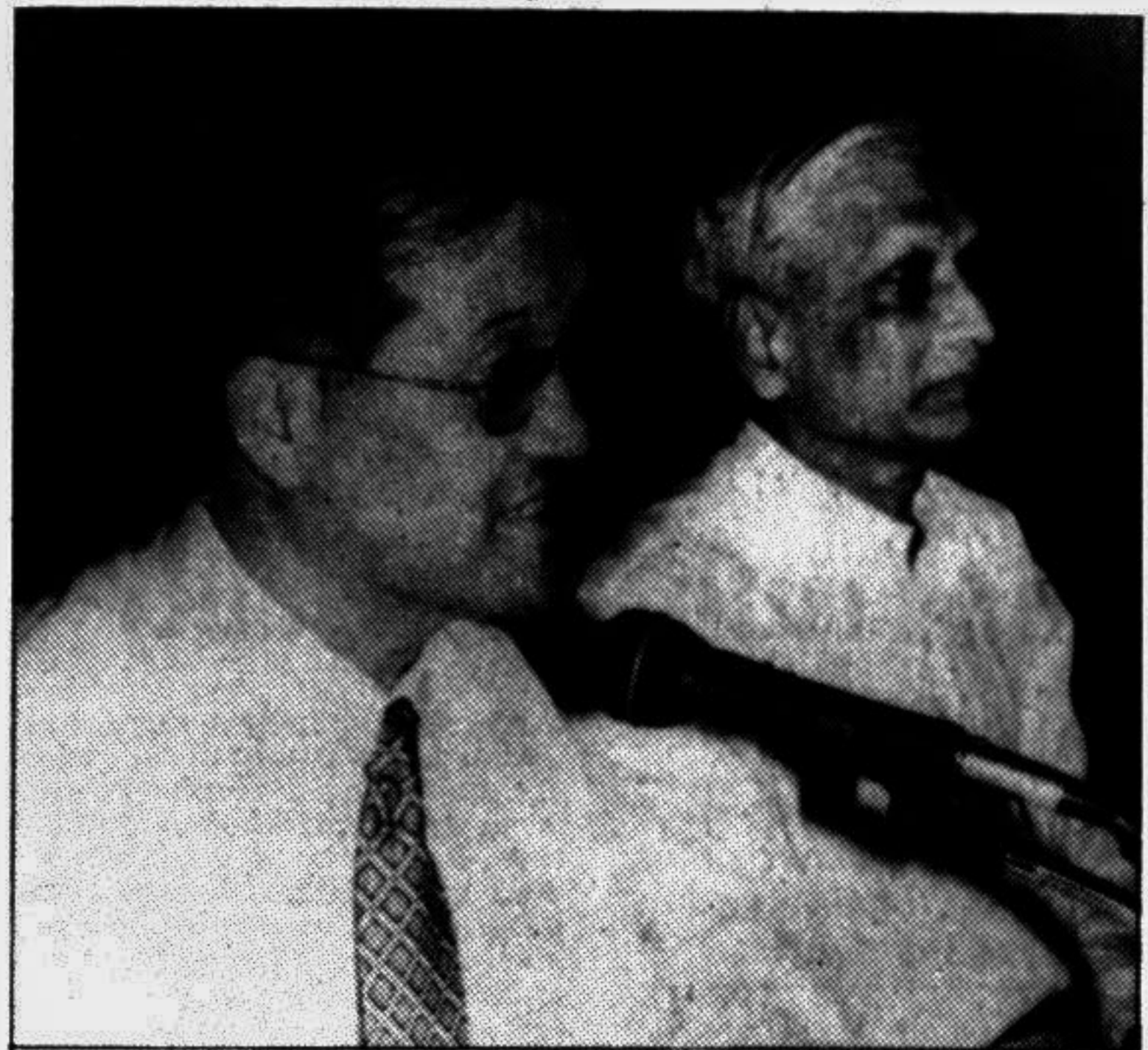
Kihak denied the allegations raised by a group of labourers and said Youngone used to abide by rules and regulations set by the Bangladesh Export Processing Zones Authority.

He said he took the decision to sack 92 of its agitating workers to save the jobs of the innocent workers. Those who were sacked will be given compensation as per the BEPZA rules, he said.

Kihak told The Daily Star that out of Youngone's 300 million US dollar global turnover, its Bangladesh units contribute about 150 million dollars.

UNB report adds: 'The factory was not closed voluntarily,' he said of the export oriented sportswear manufacturers at the Dhaka Export Processing Zone that faced an unscheduled closure for four days because of labour unrest.

The chief executive of the Korean company, read out at the news conference what is said to be the 11-point demand of the workers, and said the demands were never placed before the management of the company.



Youngone Chairman Kihak Sung addressing a press conference on labour unrest in DEPZ at a city hotel yesterday.

—Star photo

SCB officials speak on foreign exchange, fund management

Forex liberalisation opens better opportunities for clients

The recent liberalisation in the local foreign exchange and trade regime have brought in new opportunities for better customer service, officials of a foreign bank said here yesterday, reports UNB.

They said convertibility of Taka, competitive exchange rates, withdrawal of passbook system and buying and selling of Taka by overseas counterparties, would ultimately help clients to get better banking service.

The officials of Standard Chartered Bank told a press conference that the central bank of Bangladesh is playing 'a pro-active role' in liberalisation and deregulation in the financial sector.

The Bank organised the press conference on 'Foreign Exchange and Fund Management' at its Dhaka office.

It appreciated the newly introduced system which gives the customers right to open an LC from one bank, which offers most competitive service, and then buy the required foreign currency funds against the LC from another bank, which offers the most competitive forex rates.

'This is a very positive and forward looking approach by the central bank,' said Badar Kazmi, the Bank's regional treasurer for Middle East and South Asia.

Kazmi, however, said full convertibility of Taka demands macro-economic stability. 'So,

it is better to do it slowly.'

Mamun Rashid, head of bank's treasury and institutional banking section, briefed the newsmen on various steps for better customer service including forward purchase, on-line and telephone banking and currency newsletter.

He said the forward purchase system helps maintain the fixed project cost and avert loss due to ups and downs in the forex market, through making a contract with the bank which enables the client to purchase foreign currency at fixed rate.

Corporate Dealer of Standard Chartered Bank, Alamgir Morshed, and its Treasury Manager Ruben Ahmed were also present at the press conference.



Badar Kazmi, Regional Treasurer for Middle East and South Asia of Standard Chartered Bank speaking at a press conference on foreign exchange and fund management yesterday.

—Star photo

Asia-Pacific stocks close mixed

SINGAPORE: Singapore blue-chip share prices closed 1.0 per cent lower amid uncertainty in regional currency markets, dealers said.

'The retail players are a bit more active than the institutions today but it seems it will be a while before the funds are comfortable with the regional situation,' a dealer with a local brokerage said.

The Straits Times Industrials Index of leading shares on the stock exchange of Singapore dipped 19.20 points to 1,917.89. The broader All-Singapore Index fell 1.21 points to 483.53.

TOKYO: Japanese share prices closed 1.4 per cent higher on a combination of buying of high-tech issues and short-covering among banks, brokers said.

'Given an extremely favourable external climate — the yen's weakness, the continued rally by US high-tech issues and receding concerns over the financial strength of Japanese banks — there was no reason for shares to fall today,' said one broker at a bid-sized securities

house. The Nikkei Stock Average of the Tokyo Stock Exchange rose 289.33 points to finish the session at 20,358.74, while the broader Topix Index of all shares on the first section closed 23.04 points higher at 1,544.93.

HONG KONG: Hong Kong share prices fell 0.3 per cent as investors took profits, mainly on property stocks, after three consecutive record closing highs, dealers said.

'The fall was mainly made out of property sector,' as investors were worried a government's decision to put more land on lease for housing development could lower property prices, said Ogyu Kenyu, senior vice-president of Sanyo Securities.

The Stock Exchange of Hong Kong's key Hang Seng Index lost 41.22 points to finish at 15,446.02.

SYDNEY: Australian shares closed 0.3 per cent firmer under the bullish influence of a stronger Wall Street, brokers said.

'We followed Wall Street's

lead today and there wasn't a great deal of movement,' Henderson Charlton Jones' broker Brett O'Donovan said.

'Over the last couple of days the market has been well down because investors have been disappointed we're not getting a rate cut.'

The Australian Stock Exchange's benchmark All Ordinaries Index finished 8.8 points firmer at 2,646.4.

TAIPEI: Heavy sales of construction and plastic issues knocked the Taiwan stock market down 0.1 per cent, brokers said.

'Retail investors placed buy orders for electrical issues in early trade, and adjusted shareholdings or dumped other sectors of shares in late session,' said Jerry Huang of Fuhwa Securities Investment Trust Corp.

The Taiwan Stock Exchange weighted price index declined 11.42 points to 9,544.56.

JAKARTA: Jakarta share prices closed 0.2 per cent firmer on a technical rebound in selected stocks while foreign investors took to the sidelines,

UK team due in Oct

Dhaka-London trade continues to rise

A British trade mission will visit Bangladesh in October this year that underlines the increased confidence of the UK companies in doing business with the country, reports UNB.

The trade mission is organised by a chamber of commerce from Yorkshire in North-East England, said a British High Commission press release here Thursday.

The volume of trade between the two countries, which stood at more than 350 million pound sterling (about Tk 2,590 crore) last year, continues to rise.

British exports to Bangladesh have seen a dramatic rise of about 40 per cent in the first five months of this year, with a total value of 40.5 million pound sterling (Tk 300 crore).

Although Bangladesh exports to Britain are slightly down (five per cent) in the same period last year, the amount is still a significant 101.5 million pound sterling (Tk 751 crore).

The balance of trade, therefore, remains very much in Bangladesh's favour, the press release said.

The reduction in the exports from Bangladesh to Britain this year was mainly due to the impact of strict adherence to the European Union (EU) GSP regulations. However, the value of garments exports to the UK is still sizeable at 76.9 million pound sterling (Tk 570 crore).

British chemical products, cereals and preparations, power generating machinery and industrial machinery are gaining an increasing share on the local market.

In Bangladesh, British investment in the energy and infrastructure sectors is strong, the release noted.

Novartis holds workshop on crop protection

The Group Protection Sector of Novartis (Bangladesh) Limited held a workshop on 'The Need for Crop Protection in Agriculture' with the editors of the district news page of major national dailies and news agencies in the city yesterday, says a press release.

The Executive Director of Novartis Crop Protection, Sarwar Ahmed presented the keynote paper which was followed by a discussion. The workshop was arranged by Fakhruzzaman, Finance Manager, Crop Protection.

It was emphasised that Integrated Pest Management (IPM) is a means for sustainable agriculture. However IPM should not be meant as 'no pesticides' as some quarters are promoting in Bangladesh which is also confusing the farmers.

Novartis has done blood sample studies to determine the actual pesticide exposure situation of persons exposed to pesticides. Of the 190 persons sampled, only seven had mild exposure.

Dr Mohtul Islam of Novartis demonstrated the use of the portable blood testing kit. Dr Islam is one of the two Novartis associates who have been trained by WHO on the use of this specific instrument.



Italian Deputy Foreign Minister, Senator Patrizia Toia, was received by the General Manager of Pan Pacific Sonargaon Hotel E J Mac Ewan upon her arrival at the hotel on Tuesday.

Goh outlines grand vision for SIA

SIA can be a world airline which provides a first class global service. This must be the next grand vision of SIA, the grand peak to climb — to be a world airline, says a press release.

Singapore Prime Minister Goh Chok Tong, who was the guest-of-honour at SIA's Golden Jubilee dinner, set this target for the Airline in his address.

Goh said SIA could also forge alliances with reputable airlines to provide a first class global service. 'This must be the next grand vision of SIA, the grand peak to climb to be a world airline,' he said.

Tea prices soar at Ctg auction

CHITTAGONG, July 17: The weekly tea sale held here yesterday marked an excellent demand with prices shooting up further quite substantially for all grades market sources said, reports BSS.

Export buyers, especially Poland and Pakistan, were very active and dominated the market for all broken and fanings.

Local blenders also operated in greater strength, the sources said adding that the loose tea buyers were only able to lift a limited quantity of tea this week.

Dusts once again were a strong feature at considerably dearer level.

However, transportation of tea has been hampered due to disruption of communications following recent floods, the sources added.

National Bank holds conference

The half yearly conference of the executives and managers of National Bank Limited was held at a local hotel yesterday, says a press release.

Abdul Awal Minto, Chairman of the bank, inaugurated the conference. In his speech Minto expressed satisfaction for the last six months performance of the bank. He emphasised manpower planning and its development for maximisation of the profitability of the bank.

He said that NBL is proud to be the first bank to introduce local and international Master Card. He also said that the managers should provide their best customer services to their clients to face the competition prevailing in the banking sector.

Besides the managers and executives of the bank Md Sarwaruzzaman Khan, Managing Director, Ali Akbar Khan, Director, Habibullah, Director Rafiqul Islam Khan, Deputy Managing Director of the bank were also present on the occasion.

Exchange Rates

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 17/7/97:

	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dlr	43.5200	43.3522	43.2386
GB Pound	72.6309	72.3339	72.1442
D Mark	24.1443	24.0455	23.9825
JP Yen	7.1539	7.1247	7.1060
JP Yen	0.3732	0.3717	0.3707
CDR	31.4982	31.3694	31.2871
S Franc	29.2833	29.1636	29.0871

Name of Currency	Selling	
	T.T. & O.D.	B.C.
US Dollar	43.8120	43.8650
GB Pound	73.6758	73.7597
D Mark	24.5538	24.5817
F. Franc	7.2736	7.2819
JP Yen	0.3819	0.3823
C.Dollar	32.0262	32.0626
Franc	29.7835	29.8173

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

	Selling	Buying
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US Dlr	44.1000	43.6000
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Duties on exports slashed

Pakistan announces new trade policy

ISLAMABAD, July 17: Pakistan's cash-strapped government on Wednesday announced an 'export-friendly' trade policy which slashes duties on exports and simplifies tax procedures, the state-run Associated Press of Pakistan reported, reports AP.

'Export-led growth is the cornerstone of this government's economic strategy,' Commerce Minister Ishaq Dar said in a speech broadcast nationwide Wednesday.

Dar predicted exports would grow to 9.5 billion dollars for the fiscal year that began in June, a 15 per cent increase over last year's figure of 8.26 billion dollars.

The trade deficit is expected to shrink to 2.3 billion dollars over a year earlier figure of 3.37 billion dollars, he said.

To achieve those ends, he said, the government was prepared to undo years of 'anti-export bias' in Pakistan's trade policy and create incentives to widen the industrial base and create more jobs.

Chief among the reforms will be ending preferential treatment for companies that in the past paid bribes to reduce their taxes and boost allowed quotas. Dar said the establishment of export quotas would be 'completely transparent' from now on.

The new policy also slashes export duties for some of Pakistan's biggest industries, including textiles and cotton, he said.

The government also slashed duties on the import of

raw materials and equipment — ranging from designer labels to automobile kits — that will be assembled in Pakistan and re-exported.

The Commerce Ministry also will simplify the paperwork and process necessary for exporting goods by September, he said.

Dar said Pakistan needed to liberalise its trade policy, upgrade its manufacturing sector and enforce international industrial standards in order to fulfil requirements of the World Trade Organisation.

The government hopes to achieve quick results and turn Pakistan into 'another Asian tiger,' Dar said in a reference to the booming economies of Singapore, Taiwan and Malaysia.

Yeltsin signs decree to protect investors' rights

MOSCOW, July 17: President Boris Yeltsin announced yesterday that he had signed a decree on protection of investors' rights, in a move aimed at boosting business confidence, Interfax news agency reported, says AFP.

In line with the decree, Prime Minister Viktor Chernomyrdin will chair a new state commission to protect investors' rights in financial markets, Yeltsin told reporters after meeting Chernomyrdin at Shuiskaya Chupa, a holiday residence in the far northern Karelia region.

The International Monetary Fund and World Bank have urged the Russian government to do more to protect investors' rights, arguing that the absence of legal guarantees is discouraging foreign investors.

Earlier Dmitry Vasilyev, Chairman of the Federal Securities Commission, had called for the creation of an investment protection body, Interfax said.

There are plans to include representatives of the central bank, interior ministry and Federal Securities Commission in the new body.

'All those willing to invest in the Russian economy must be sure that their rights are securely protected,' Yeltsin said.

Yeltsin also criticised the government for failing to boost tax collection — another key problem highlighted by the IMF, which has repeatedly withheld instalments of a three-year 10 billion dollars loan to Russia, citing poor tax receipts.

Yeltsin said tax collection was usually just over 50 per cent of the target figure, and so far in July the authorities had collected 20 per cent less than the average, 'which is absolutely unjustifiable.'

He said he had drawn up a timetable with Chernomyrdin to pay off the government's wage debts to military servicemen and state workers in July and August.

Leading Euro stock markets jump to record high

LONDON, July 17: Leading European stock markets jumped to record highs on Wednesday, thanks inter-alia to Wall Street's firmness, reports AFP.

The London market zipped ahead to its third straight record closing level as the foot-side index finished the day at 4,964.2 points, up 1.32 per cent from the Tuesday finish. The market was buoyed by Wall Street gains, good UK statistics, and a new surge of bank issues, traders said.

Share volume came in at 959.3 million.

The previous record had come on Tuesday, at 4,899.3 points.

The Paris bourse also surged to a record closing as the CAC 40 index came within easy striking distance of the 3,000-point level by finishing at 2,988.01 points. During the session, the index hit its highest point ever at 2,998.26 points.

The closing figure represented a strong rise of 1.26 per cent for the day.

Traders said the market was boosted by high liquidity, particularly thanks to redemption of the Balladur Bond issue, a favourable interest rate trend, a firm dollar, Wall Street's good behaviour, and upward revisions of company earnings.

Among individual issues, Eurotunnel fell again, though less than on previous days, giving up 3.65 per cent on Wednesday.

The Frankfurt stock market skyrocketed, the Dax Index finishing the day just over the 4,200-point mark at 4,201.24, up 1.94 per cent from 4,121.13 at the official close on Tuesday. The latest figure is the highest finishing level ever for the ADX indicator.

Traders said the gain was due to Wall Street's gains on Thursday (Frankfurt closing on Friday before Wall Street opened) and to a strong Frankfurt bond market. The average yield on the bond market fell by 0.01 of a point to 4.90 per cent.