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The Daily Star BUSINESS



HYUNDAI

CARS THAT MAKE SENSE

Longest beach, but the town lacks tourist-friendly culture

By Rafiq Hasan back from Cox's Bazar

Cox's Bazar, the lone tourist town in the country, might have a good beach but it is still unattractive to foreigners because there are few other entertainment facilities.

Though the town has the longest sea beach of the world -- spreading over about 125 kilometers -- the number of foreign tourists was insignificant, said Ezaz Omar Chowdhury president of Cox's Bazar Hotel Malik Samity.

Most of the foreigners who come to Cox's Bazar are either employees of different embassies or arrived on official business. The number of actual tourists who come to spend holidays and enjoy scenery is decreasing due to the unhealthy environment around the sea beach, he observed.

He said local gangsters and the large number of vendors make foreign tourists feel as comfortable with staying at the beach for long time.

"If a couple takes rest on the beach a number of vendors will gather around them trying to sell different goods and some local mastans will make objectionable comments", Ezaz said.

He said once an exclusive zone was created by erecting barbed wire on the sea beach but that was removed by the local mastans.

Ezaz said with the exception of November-March -- the peak season for the tourists -- local hotels always remain below 40 per cent capacity. During the peak season the inadequate

number of hotels fail to provide accommodation facilities to large number of people while during the off-season it remains almost empty. Ezaz Omar said. He is also a member of Tourism Task Force by World Health Organization WHO.

The officials of local Parjatan Hotels said that the foreign tourists want various facilities for enjoyment which they can't provide sufficiently. Most of the foreigners feel bored after spending two or three days as there is no other amusement like a children's park, zoo, museum or historical places said a parjatan official.

He also said the town didn't have enough good hotels, motels and rest houses.

There are only 96 double bed rooms in government owned three parjatan hotels which remain booked for couple of months before starting the season, the official said requesting anonymity. Out of three only Shaibal has international standard -- three stars and rest Probab and Upal are only average. Besides a number of parjatan hotel's rooms and all honeymoon cottages numbering 5/6 were occupied by the UNCHR officials for several years.

They have set up temporary offices in honeymoon cottages and booked all the rooms located in second floor of the hotel Probab since 1990. A Parjatan official said.

Though the government is building another economy hotel near the sea beach it will not be enough to meet the demand during the peak season.

An owner of a local hotel alleged some hotel owners increase their rates during the season to take advantage of the high demand.

An Employee of a government owned parjatan hotel told this correspondent that during the peak season the accommodation crisis becomes so acute that the local tourist tries to stay on the floor of the hotel.

Local people said due to lack of hotels people even stay on the footpaths buses and rickshaws during the winter. Observing the importance of the town the World Health Organisation WHO has undertaken a healthy town programme in Cox's Bazar in collaboration of local pourashava to improve its polluted environment, develop road and sanitation system, condition of the peoples health and ensure safety of the tourists.

The main objective of the programme is to develop over all condition of the town and make it healthy for the citizens of the town, said Dr. Nasima Safa, co-ordinator of Cox's Bazar Healthy Town Programme.

The objective of the programme will be achieved mainly through creating awareness among the people regarding health, environment, development, education and

poverty alleviation, she said. Similar programmes are also going on in Chittagong and Rajshahi.

To make the town safe and healthy, six taskforces were formed comprising local government officials, peoples representatives, businessmen NGO workers and elite's of the town.

The taskforces are, 28 member Environment Task Force headed by Kamal Uddin Ahmed, executive Engineer department of public health Engineering Cox's Bazar, 20 member health taskforce headed by civil surgeon, coxaz bazar, 22 member education taskforce headed by Hosen Ara Begum district education Officer Cox's Bazar, Poverty Alleviation and Economic Development Task Force chaired by Abu Taher Chowdhury, Commissioner Cox's Bazar Pourshava and Taskforce on Tourism headed by Hayat Ali Khan general manager Parjatan Holiday complex Cox's Bazar.

The task forces have already identified some problems and taken action plan to resolve those on priority basis. Dr. Nasima Safa said as the town is a tourist spot the main thrust of the programme would be given to develop the city and make it attractive for the local and foreign tourists.

She observed that though the local people were rich and the area had a lot of resources but the town could not be improved because people weren't motivated.

'Bankers must follow UCP guidelines' LC errors bad for business

Star Business Report

An official says Bangladesh bankers jeopardize trade when they make language errors on letters of credit (L/Cs) for import and export payments.

The Uniform Customs and Practices (UCP) document, updated by the International Chamber of Commerce, standardizes the language of these letters to avoid disputes between traders from over 140 countries.

"UCP's a simple document", says Mehboobur Rehman, head of the human resources division at Transom limited. "Its interpretation makes it difficult."

Rehman emphasized the importance of UCP to bankers at ICC Bangladesh's inaugural

seminar at the Sonargoan Hotel yesterday.

Rehman says English may be the language of commerce, but some bankers use too many vague or incorrect words, creating confusion and misinterpretation that can stall a deal in court for years.

"I have seen different types of L/Cs from Bangladesh banks which contain clauses that don't make any sense", he says.

Bangladesh's L/Cs are better than those in some African countries, he says, but they still lag behind other South-Asian nations. Rehman says bankers must follow UCP standards if Bangladesh wants a reputation

as a credible trading partner.

"At the moment, we don't use UCP until we're in trouble, when it should have been consulted before the letter of credit was prepared", he says. "An L/C opened incorrectly is bound to cause problems by the time it gets back to the bank."

Rehman says bankers also miss mistakes in documents accompanying L/C request, though no survey of Bangladesh has been done. Another survey, conducted seven-years-ago, suggested 49 per cent of documents submitted with L/C requests on first tender had errors.

Rehman says many of these mistakes occur in documents from third parties who don't

have a stake in the deal, like shipment inspectors.

But these will only become more complex, he says, as multi-modal documents -- for shipments combining sea, train and truck -- become more common when exporters target markets in Nepal, Bhutan and the republics of Central Asia.

Participants in the 'refresher course' seemed pleased with the seminar. Shafiqur Rahman Khan, an executive officer with Al-Baraka Bank, says these types of seminars help young bankers to stay abreast of changes in the industry, especially with so many foreign firms trying to invest in Bangladesh.

Salman Rahman meets finance minister

SAARC Chamber of Commerce and Industry (SCCI) President, Salman F Rahman, called on Finance Minister Shah AMS Kibria at his Secretariat office here yesterday, says UNB.

During the meeting, Rahman apprised the minister of the deliberations of the 8th executive committee meeting of SCCI held recently in Kathmandu, said a press release.

The SCCI chief discussed the decision taken at the 9th SAARC summit held in Male in May to bring forward the deadline for the South Asian Free Trade Area (SAFTA) to the year 2001 and the ramifications of this decision for the governments and private sectors of the seven SAARC nations.

He also informed the finance minister about the proposed Expert Working Group, being formed by the SAARC governments on intra-SAARC investment promotion and protection.

Kibria gave the SCCI president a patient hearing and assured him of Bangladesh's commitment to regional development and towards strengthening the SAARC efforts for closer economic cooperation.



Salman F Rahman, President of SAARC Chamber of Commerce and Industry, presented the Finance Minister, SAMS Kibria, with an information Handbook published by the SAARC Chamber of Commerce and Industry.

Care and credit key to saving crores on cotton import

While the country is draining crores on cotton import, a high potential for growing it in Rajshahi region is being ruined for lack of care and credit to the farmers, reports UNB.

Scarcity of quality seeds and absence of efficient marketing system are two other factors spoiling the prospects, although there is a Cotton Development Board entrusted with the responsibility of looking after these problems.

Cotton Development Board office was set up in Rajshahi in 1972 to help cotton cultivation. After the inception of CDB, cotton production increased, but it was far below target.

There are 10 cotton development units in Natore, Rajshahi and Naogaon districts under the Board.

However, since its inception, the CDB has failed to achieve any real development in cotton production, said an official wishing anonymity.

"If the extension programme in cotton farming could be implemented successfully, the lion's share of total national requirement would have been fulfilled locally", he said.

Only 15 per cent of the country's cotton requirement is met by local output while the rest comes from abroad through

import.

A local expert said cotton farming proved to be more profitable than other cash crops like jute and tobacco. If proper steps had been taken, an additional 20,000 acres of land could have been brought under cotton cultivation in the zone, official sources said.

There are 20,000 acres of land in Rajshahi zone suitable for cotton growing, and 15,000 acres of them are economically viable.

According to sources, farmers are facing fund shortage for cotton production. They could hardly reap the benefits of loan disbursed every year due to 'red-tapism'. In many cases, farmers applying for cotton loans are allegedly harassed by the bank officials.

The per-acre production cost of cotton is estimated between Tk 4,500 and Tk 5,000. Most of the small and marginal farmers will not be able to bear the cost of production without institutional credit support.

Scarcity of improved variety of cotton seeds is also a major stumbling block to the per-acre yield. The total cotton production would double if the regular quantum of quality seeds could be made available, official

sources said. However, the CDB failed to meet the procurement target of seed-cotton due to non-availability of funds and fixation of low rate.

In the zone, the cotton board has purchased about 2,500 maunds of seed-cotton so far against its procurement target of 4,000 maunds this year. The CDB, in many cases, failed to procure cotton at the official rate due to active participation of traders in the private sector.

The official price of seed-cotton has been fixed at Tk 1,040 per maund. But the private traders are buying seed-cotton between Tk 1,100 and Tk 1,200 per maund in Rajshahi region this year, sources said.

Acute scarcity of improved seeds adversely affected the total production. The total demand for quality seeds is estimated at 570 maunds for Rajshahi zone while the CDB supplied 300-375 maunds, only 40 to 50 per cent of the requirement.

The growers need quick cost money as they do not have much institutional credit support and smooth marketing system. "Otherwise," said the experts, "cotton farming cannot be developed."

Quddus clarifies

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has said that a section of the press is publishing different news items on the GSP problem, which have become a matter of concern for the garments industry, reports BSS.

In a statement yesterday, BGMEA president Mostafa Golan Quddus said he would like to make the matter clear to all concerned to remove all confusions in this regard.

He said Bangladesh earned about 800 million US dollars from the exports of sweater and knitwear industries out of the total export earnings of three billion US dollars in garment industry.

Quddus said about 400 knitwear and sweater factories export products of about 800 million US dollars.

Ninety per cent of the exports, he said, were being made by 80 to 90 factories with which more than six hundred European buyers were directly involved.

Those European buyers, he said, come to Bangladesh due to GSP facilities. The BGMEA president said these factories naturally used to get GSP certificate from the Export Promotion Bureau (EPB) through submitting necessary documents.

Quddus described as undesirable the reports of some newspapers which, he said, called the factories categorised by the European Union under schedule 'B' and schedule 'C' as false GSP certificate holders.

These factories, under schedule 'B' and schedule 'C', he said, were exporting their products after taking certificate from the proper authority.

The BGMEA president said such news items would not only tarnish the image of the exporters but also hamper the national interests.

Indonesia to use Australian-built planes to patrol gas fields

JAKARTA, Aug 11: Indonesia plans to use six Australian-built reconnaissance planes to help maintain security for its Natuna gas fields in the South China Sea, it was reported Monday, says AP.

The officials Antara news agency said the Nomad planes would operate from Kijang and Sabang off the island of Sumatra to support Indonesian naval patrols.

ment Bank and possibly China. Japan, a huge investor in Southeast Asia, is playing a big role because it wants to make sure that Thailand's financial troubles do not worsen or spread to nearby countries.

Thailand's fast growing economy was once the envy of other developing nations. In the late 1980s, Prime Minister Chatchai Choonhavan's free-market policies produced average annual growth rates of more than 9 per cent.

The nations of Germany, Britain, France and Canada also sent officials to the meeting but did not offer contributions.

'CSE a model for entire region'

Star Business Report

Bellcore, a world leader in telecom consulting, engineering and software, has begun business in Bangladesh with a contract to computerise the Chittagong Stock Exchange, which will have the country's first remote trading system.

The US company which sells high-tech telecom services will install systems that will allow by this December even a small investor to do business on the CSE sitting at home in Dhaka and Sylhet, Bellcore's director and project manager Mahbub Hoque said.

"That's only the first phase. We will very soon have the whole country networked," according to Syed Mahmudul Huq, a CSE director who oversees modernisation.

"The remote access will be equal even if you are in Sylhet. All you have to do is use your phone," Huq said.

Acting US ambassador T Nist called CSE a model not only for Bangladesh but also for the entire region.

Telecommunications Minister Mohammad Nasim was among those present at the presentation given to experts and members of the press. Nasim showered words of encouragement while giving the government view on telecom sector.

"Bellcore may explore possi-

bility of using their expertise, experience and technology in developing telecommunication system in Bangladesh," the minister said.

"The government is committed to, as per WTO charter, gradually deregulating and privatising the telecommunication sector," he said.

Hoque, a US-based Bangladesh national, of Bellcore admits the CSE job, worth only US\$ 0.8 million, is small compared to his company's profile. But he says he sees opportunities for bigger businesses here with the opening of the market and growing demands.

BPC responds to fuel crisis

SYLHET, Aug 11: Two barges of Padma and Meghna Oil companies carrying diesel and kerosene have reached Sherpur of the district, says UNB.

Bangladesh Petroleum Corporation took the initiative to meet the prevailing fuel crisis of the area.

Sources said the barge of Padma Oil Company carried 1,08,000 litre kerosene and 2,85,000 diesel for the area on Thursday.

Meanwhile, the Meghna Oil Company's barge with 3,16,000 litre of diesel and 2,45,000 litre kerosene reached here on the following day.

The sources also said the district marketing officials of the companies started selling diesel and kerosene to their dealers giving supply in the area.

More fuel is expected to reach in the district through rail and water routes soon.

Air fare to rise in Indonesia

JAKARTA, Aug 11: Air fares in Indonesia will be increased because of the depreciation of the country's currency against the dollar, a news report said yesterday, reports AFP.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 11/8/97.

Buying		
TT	OD Sight	OD
Clear	Export	Transfer
	Bills	
US Dir	43.9700	43.8050
43.5181	43.1517	42.7853
GB Pound	69.4009	69.1404
68.9881	23.6206	23.5320
D Mark	24.0289	24.0506
F Franc	7.0124	6.9860
6.9707	JP Yen	31.4613
31.3433	C Dir	28.9162
28.8076	S Franc	0.3767
0.3753		0.3745

Selling		
Name of Currency	T T & O D	B C
US Dollar	44.2610	44.3010
GB Pound	70.4089	70.4726
D Mark	24.0289	24.0506
F Franc	7.1331	7.1396
JP Yen	31.9994	32.0283
C Dollar	29.4195	29.4461
S Franc	0.3871	0.3875

A) TT (DOC) US Dollar Spot Buying Tk 43.8875
B) Usance Rate
30 Days 80 Days 90 Days 120 Days 180 Days
43.5181 43.1517 42.7853 42.4188 41.6880

C) US Dollar sight export bill 3 months forward purchase Same as OD sight export Bill buying rate

Indicative Rate		
	Selling	Buying
Saudi Riyal	11.8061	11.6494
UAE Dir	12.0586	11.8983
KUW Dh	145.0942	143.1892
D/Guilder	20.8975	20.6318
S Krona	5.4883	5.4146
Malay Ringgit	16.7592	16.5437
Sing Dollar	30.0788	29.6832



RESCUE PLAN PREPARED: Thai Finance Minister Thanong Bidaya (C) at an international conference led by the International Monetary Fund (IMF) in Tokyo yesterday to discuss the framework for emergency financial assistance for Thailand. -- AFP/UNB photo

\$16b plan to rescue Thai economy

By Todd Zaun

TOKYO, Aug 11: An international meeting called to rescue Thailand's shaky financial system offered the country 16 billion dollar in loans on Monday, reports AP.

It would be the world's second-largest rescue plan, after the 50 billion dollars offered to Mexico in 1994 to save it from a currency crisis.

The bulk of the Thai loans would be provided by Japan, the largest investor in Thailand, and the International Monetary Fund, which organised Monday's meeting.

Among other things, the loans would give Thailand the foreign exchange reserves it

needs to shore up its troubled currency.

The offer came as Thailand was implementing strict economic reforms, including cutting government spending, raising taxes, closing dozens of troubled finance companies, and giving lenders a say in some economic decisions.

For years, Thailand had boasted one of the world's fastest growing economies.

But in early July, its currency, the baht, fell sharply, exacerbating severe problems in the financial industry. Thailand also is coping with slumping real estate prices and bad loans that are debilitating

its financial institutions.

In addition to the IMF and Japan, Monday's meeting was attended by senior Thai officials and representatives of the World Bank, the Asian Development Bank and 11 other countries.

Japan and the IMF would each provide 4 billion dollars in loans, Shigemitsu Sugisaki, the deputy managing director of the IMF, told at a news conference. Australia, Hong Kong, Indonesia, South Korea, Malaysia and Singapore would contribute a total of 5 billion dollars, he said. The other three billion dollars would come from the World Bank, the Asia Develop-

Asia-Pacific currencies close mixed against dollar

HONG KONG, Aug 11: Currencies in the Asia-Pacific region closed mixed against the US dollar with the Thai baht rallying on expectations of an International Monetary Fund (IMF) rescue plan, reports AFP.

JAPANESE YEN: The yen rallied during the week as investors remained cautious about chasing the dollar toward the psychologically important 120 yen level, dealers said.

THAI BAHT: The Thai baht ended stronger in the domestic market Friday at 31.25 to the dollar, from 31.95 at the previ-

ous week's close, on expectations that an International Monetary Fund (IMF) rescue package will be signed this month.

AUSTRALIAN DOLLAR: The Australian dollar finished the week down 1.30 US cents after slumping amid lackluster unemployment data and hitting a two-year low in New York at one point.

NEW ZEALAND DOLLAR: The New Zealand dollar hit its lowest level against the US dollar for 29-months Friday, closing at 63.53 US cents.

SINGAPORE DOLLAR: The Singapore dollar ended the week lower against the US dollar at 1.4770 from 1.4695 previously amid spillover effects from a regional currency turmoil, dealers said.

TAIWAN DOLLAR: The Taiwan currency advanced to close Friday at 28.739 Taiwan dollars against US dollars, up 1.3 Taiwan cents from the previous week's finish of 28.752.

Market dealers attributed the rise of local units to central bank's efforts to support the Taiwan dollars.