

T&T-Mitsui deal  
to improve  
Dhaka phones

An agreement between T and T Board and Mitsui and Company of Japan was signed here on Thursday for completion of the work on the transmission network of greater Dhaka Telecommunication Development Project (phase-2) with an estimated cost of Taka 86 crore, an official press release said, reports BSS.

The agreement is a part of the Taka 637 crore project which is expected to be completed by December next year. Two agreements under this project were already signed with the Marubeni Corporation and Mitsubishi Corporation of Japan.

Mitsubishi Corporation will provide Taka 84 crore for implementation of switching network of the project, while Marubeni Corporation will provide Taka 119 crore for outside plant network as per the agreements.

Seven central telephone exchanges and 14 small telephone exchanges will be set up mainly in old parts of Dhaka city including Basabo, Gandaria and Jinnira.

Chairman of T and T Board M A Mannan signed the agreement on behalf of the T and T Board, while Yoshikazu Uno signed on behalf of Mitsui and Company. Post and Telecom Minister Mohammad Nasim and senior officials of T and T Board were present at the signing ceremony.

Seed stores built  
in Patuakhali  
lying abandoned

PATUAHALI, Aug 16: Some 92 seed stores, set up in the coastal region here three decades back, have been lying in abandoned condition since its inception, says UNB.

BADC set up the seed stores in different unions of Patuakhali and Barguna districts in 1961-62 at a cost of Tk 20 lakh for seed protection and distribution among the farmers.

Of the seed stores, 10 were built in Sadar, 12 in Kalapara, 14 in Baulf, eight in Kalapara and six in Mirzaganj thana of Patuakhali, and 10 in Amtali, seven in Beldanga, seven in Patharghata, four in Bannia and 14 in Sadar thana of Barguna district.

Local leaders alleged that the seed stores became dilapidated before handing over to the authorities concerned due to the irregularities during the construction work. So, these buildings were lying abandoned and some of these already disappeared into the river.

After the Liberation War, these were handed over to the BADC with a directive to use the buildings as the residences of the Block Supervisors. But as most of the buildings were dilapidated the Block Supervisors could not use these as their residence.

People here urged the authorities concerned to renovate the seed stores for the greater interest of the farmers.

Record number of  
US consumers files  
for bankruptcy

WASHINGTON, Aug 16: US consumers, weighed down by heavy credit card debts, filed for bankruptcy in record numbers during the second quarter despite a buoyant economy, according to data released Friday by the administrative office of US courts, says Reuters.

Bankruptcy filings, more than 95 per cent by consumers, hit a record 367,168 from April to June, up 24 per cent from 297,162 in the same year-ago period and up 10 per cent from the old record of 335,073 in the first quarter of this year.

For the 12-month period ended June 30, a record 1.3 million bankruptcy cases were filed, the agency said, courts in California, New Jersey and parts of Georgia and Florida reported the most filings over that period.

The continued rise in filings by consumers could spell trouble for credit card issuers, according to industry analyst Warren Heller.

"The industry expected (bankruptcy) growth to moderate or reverse," said Heller, Research Director at Veribanc Inc. "It looks like it could get worse instead."

More recent data tracked by card giant VISA USA Inc. shows the rate of bankruptcy growth slowing, however, visa spokesman David Sandor said.

"What we saw starting in June was a significant slowdown in the rate of growth," Sandor said. Based on the most recent weekly figures, "our numbers show a slowdown for the remainder of the year."

The second-quarter increase in the number of bankruptcies could also fuel a drive to change the bankruptcy law, which VISA and other lenders argue encourages excessive filings.

A Federal Commission reviewing the current system voted on a series of reform proposals earlier this week, but rejected the changes desired by the credit card industry. The sharply divided panel will report its final recommendations to Congress in October.

## Motia Chowdhury tells agri scientists

Speak out, don't be afraid of  
donors, funding agencies

Agriculture Minister Motia Chowdhury has said the underground water level has gone down alarmingly and regretted that the local agri scientists do not speak out "listening to the donors and the funding agencies," says UNB.

Excessive extraction of underground water is causing arsenic contamination in the country, she said, inaugurating a two-day workshop on "Climate Change and Sustainability of Agricultural Production" at the BARC auditorium yesterday.

She stressed the need for increasing use of surface water, warning that further use of underground water may wreak

havoc in the country.

Bangladesh Academy of Sciences and Bangladesh National Committee of International Geosphere-Biosphere Programme (IGBP) jointly organised the workshop.

Indian scientist Dr AP Mitra, President of Bangladesh National Committee of IGBP Dr SD Chaudhuri acting Chairman of Bangladesh Academy of Sciences prof M Shamsur Ali and BARC Executive Director Dr Z Karim also spoke at the inaugural session, chaired by former member of Planning Commission SM Ashanuzzaman.

Referring to climate change and its impact on agricultural production, the minister said

excessive use of underground water was also one of the factors of climatic changes.

The underground water level in the country has gone down, she said and regretted that the local agri scientists did not speak out about this "listening to the donors and the funding agencies."

Motia, who is also the Food Minister, stressed the need for developing new types of seeds, which are sustainable with the climatic changes, to ensure optimum production.

"We will have to try and fight to increase production from our limited resources," she said and called upon the agri scientists to put in their best efforts for

new inventions.

She said Bangladesh, as a small country, needs vertical expansion of agriculture and change in its crop pattern.

Motia asked: Why the scientists are yet to come up with new varieties of wheat able to cope with rising temperatures?

She further emphasised on developing jute and diversifying jute products to compete with the increasing challenge from synthetics.

Calling upon the scientists to devote more in research, the minister lamented that only four per cent of allocation for research institutes are being utilised.

KL expects 8 pc  
economic growth  
this year

KUALA LUMPUR, Aug 16: Malaysian Prime Minister Mahathir Mohamad yesterday expressed optimism the country would record eight per cent economic growth this year despite speculative attacks on the ringgit, reports AFP.

"We will achieve it by continuing to manage the economy in the way that we did since 1987," he was quoted as saying by Bernama news agency.

Mahathir said the country could sustain the impressive economic growth enjoyed since 1987 for the next 30 years.

The Malaysian economy has been growing at above eight per cent a year since 1987.

But recent economic woes associated with the fall of the ringgit and a rise in interest rates have caused economists to speculate that growth could dip below eight per cent.

The prime minister said the currency attack in the region was aimed at slowing the growth of South East Asian economies.

"They (currency speculators) said the region's economic growth should be slowed down because of over-heating economies. They wanted the inflation rate to be higher and the poor countries to get poorer," he said.

Mahathir said Malaysia could manage its affairs without other parties undermining the economy.

He said he had some plans to beat currency speculators but declined to reveal them.

On Wednesday he said the government may impose tax to limit speculative trading. Asked how the government would differentiate between genuine currency traders and speculators, Mahathir said: "If they exchange a lot of money in the market, then they are rogue speculators."

Suez Canal  
revenues  
decline

CAIRO, Aug 16: Suez Canal revenues dropped by 2.7 per cent in the first six months of the year over the same period in 1996, reports AFP.

A report, published in the government newspaper al-Ahram, said canal revenues fell to 901.3 million dollars from 926.3 million dollars in the first half of last year.

The number of ships passing through the international waterway during the first half of the year was also down to 7,417 in the same period in 1996.

Suez Canal revenues along with receipts from tourism and oil exports and remittances from Egyptians working abroad are the country's main sources of foreign currency.

Fairs fetch \$ 25m  
in orders

by Rafiq Hasan

Government and private companies received spot orders worth 25 million US dollars at 21 international trade fairs and three Bangladesh fairs during the last fiscal year.

A total of 150 export houses displayed participated products on the international markets and received encouraging response from the buyers, the source in Export Promotion Bureau EPB said. Out of total 150 participating organisation, 144 were private and six government owned.

The participating companies hope they would get another 1.23 crore worth of orders for supplying goods in the future.

During the period the EPB organised three trade fairs in Thimphu, Bhutan, Katmandu, Nepal, and Tashkhand, Uzbekistan.

Thirty-one companies participated at which only two were government owned.

Companies received more than 3.83 lakh US dollars worth of orders on the spot at those fairs.

"The main objective at international trade fairs is to present our products to buyers and help Bangladeshis make a business contacts with the producers and consumers," said BMM Mozaharul Haq Director General of the EPB.

He said the more companies attend international trade fair the more business they will get.

There are many countries where the people do not know the original manufacturers of the products they use. These international fairs also improve the image of the country, he said.

Mozahar underscored the need for additional government money to attend more international trade fairs.

During the current fiscal

year Bangladesh will participate in 19 international trade fairs and organise two Bangladesh exhibitions abroad.

Currency crises in  
Asian nations  
unlikely to boost  
gold consumption

LONDON, Aug 16: Currency crises hitting some Asian countries seem unlikely to boost gold consumption in those price-sensitive markets, said metals analyst Tony Warwick-Ching of Cru International Ltd, reports Reuters.

"There's some heavy weather on the currency front the further east you go, but not many people seem to be buying gold as a currency hedge," Warwick-Ching said.

"Unless there is buying of gold as an instability hedge... routine consumer demand for bullion will be hit, since these markets remain very price-conscious," he added.

While demand for gold in India was good, it has slowed recently in Thailand, Indonesia, the Philippines, Malaysia and Singapore, he said.

Warwick-Ching, converting the London gold price by currency exchange rates, noted an 18.3 per cent rise in Thailand from end-June to mid-August.

Prices rose 12.9 per cent in Indonesia during the same period, 8.5 per cent in the Philippines, 6.9 per cent in Malaysia and 3.1 per cent in Singapore.

Meanwhile in India prices have declined by 3.2 per cent, according to his calculations.

The London gold price was down three per cent in the same period.

MEM launches  
product in  
Bangladesh

By Staff Correspondent

President of Federation of Bangladesh Chamber of Commerce and Industry FBCCI Yusuf Abdullah Harun said substandard goods should not be marketed in the country.

Speaking as chief guest at a launching programme of products manufactured by MEM, a leading electrical accessories producers from England yesterday at a local hotel, he said the government should form a body to monitor substandard products in the market.

He said he hoped the UK company MEM would be able to provide quality goods at a reasonable price.

The function was also addressed by Miriam McIntosh, deputy high commissioner of British High Commission in Bangladesh, Engineer Manzurul Ahsan, chairman and Managing Director of superior group and Charles Cheney export area manager MEM England.

Miriam McIntosh said the sky line of Dhaka city has changed a lot over the reflection of growth and development in the country.

She said Bangladesh's poor image has been removed and investors can come here to set up industries, adding that British High Commission was not only looking for aid but also promoting trade between the two countries.

Manzurul Ahsan said the MEM started selling its products on the Indian subcontinent in 1921. But after the independence of Bangladesh the patrons of MEM experienced hardships because of insufficient and inconsistent supply of its products.

Now MEM quality electrical products will be available at specified dealers in all electrical markets of the country through Superior Builders and Engineers Limited Dhaka, Ahsan said.

Egypt's foreign  
reserves up

CAIRO, Aug 16: Egypt's foreign reserves have surpassed 20 billion dollars enough to cover imports for more than a year, but the country still needs to attract foreign investment to achieve growth targets, economists said, reports Reuters.

The 20 billion dollars is Egypt's highest foreign reserves ever, said government economist Hani Dimian. It is equivalent to the country's total external debt service requirements for 13 years.

"The external situation for Egypt is healthy," said Arvind Subramanian, International Monetary Fund Representative. "Reserves are fairly high relative to imports and... debt."

The central bank's August bulletin said foreign reserves were 20.199 billion dollars in May up from 19.746 billion dollars in April.

Given 1996/97 import figures of 14.9 billion dollars, Egypt's foreign reserves mean that it can pay for 16 to 17 months of imports without using exports to finance them, said Dimian.

Average debt service of 1.5 billion dollars year "allows Egypt to finance its total debt service for some 13 years," he said.

But Egypt's priorities are "attracting investments," said Dimian. "In Egypt there are not enough funds to finance investment needed to achieve growth targets and make them more feasible. We must invite foreign investment."

WPP Group  
posts profit

LONDON, Aug 16: WPP Group PLC, the world's biggest advertising company, said Thursday its half-year profits rose 15 per cent, despite currency fluctuations that have hurt earnings at most other British-based multinationals, reports AP.

WPP reported pre-tax profits of 78.3 million pounds (127.9 million US dollars) for the six months ending June 30, compared with earnings of 68.1 million pounds in the same period a year earlier.

WPP was able to report stronger results despite a slight dip in revenues, which came to 830.6 million pounds (1.36 billion dollars) in the half-year just ended. Revenues were 833.2 million pounds for the same period a year earlier.

WPP, whose ad agencies include J. Walter Thompson and Ogilvy & Mather Worldwide, said its overall billings slipped to 3.44 billion pounds (5.62 billion dollars) from 3.46 billion pounds.

But WPP said its business was strengthening in most markets. The company has enjoyed growth in the US, Asia Pacific and Latin America markets, while it has managed to improve profit margins in Britain and continental Europe, despite sluggish growth in revenues.

WPP said it was gaining market share worldwide and predicted continued improvements, even if the high value of the British pound continues to hamper earnings outside Britain, which account for about 80 per cent of the group's business.



Md Jahangir Alam Khan, Chairman, United Commercial Bank Ltd, speaking at the UCB Dhaka Division branch manager's conference on Saturday. Seen in the picture are Directors Zafar Ahmed Chowdhury, M A Sabur and Managing Director M A Yussouf Khan.

Loan recovery  
gets priority  
at UCBL

Recovery of classified loans and improvement of the overall banking performance were focused at the Dhaka Division branch managers' conference of UCBL held yesterday, says a press release.

Jahangir Alam Khan, Chairman of UCBL said officials should make concerted efforts for the recovery of classified loans in the interest of the bank as well as the country.

M A Yussouf Khan, the banks President said that all-out efforts shall be made for the recovery of classified loans including application of newly introduced bankruptcy act as and when required.

Construction fees  
reduced in  
Beijing

BEIJING, Aug 16: To control the cost of housing China's capital has stopped or reduced 36 types of construction fees, reports Xinhua.

In recent years, excessive construction costs have resulted in rapidly-rising housing costs and have hindered the healthy growth of the city's real estate business.

To solve this problem, the city has removed 25 construction fees charged for wire checking, auditing construction costs, and commissions charged for increasing power supplies, and has reduced the amount charged in 11 other fees.

Official with the Commodity Pricing Department, say they will increase controls on construction costs, and that people who do not comply with the new regulations will receive administrative penalties.

Employer-employee relations  
It's a two-way traffic,  
says minister

State Minister for Labour and Manpower MA Mannan stressed the need for harmonious industrial relation for attaining sustainable economic development of the country, reports UNB.

Understanding and cooperation between the employers and the workers are essential for achieving the goals of the industrial sector having an increasingly vital role in national development, he said, inaugurating a national training programme.

The six-day "National Tripartite Training Programme on Industrial Relations" was jointly organised by the Ministry of Labour and Manpower, and the ILO for officials of the ministry, employers and trade unions, yesterday.

Addressing the inaugural session at the CIRAP auditorium in the morning, the minister said there may be some problems between the employers and workers, but those should be resolved through negotiation, remembering "if one side prospers, the other will also benefit."

Labour education and management training are important in maintaining sound industrial relation, he said. "A skilled and satisfied worker helps production effectively giving his labour spontaneously."

Mannan said the government is committed to provide various facilities to the owners and the working class for rapid industrialisation of the country.

Presided over by Labour Secretary M Ahsan Ali Sarkar, the inaugural session was also addressed by ILO representative Rijk van Haarlem, joint secretary at the Labour Ministry Daud-uz Zaman Chowdhury, NCCWE representative Abdullah Al-Noman and Employers Association representative DAF Chowdhury.

ILO representative Rijk van Haarlem said industrial relations systems, labour legislation and labour administration are central to the ILO's fundamental principles of tripartism, social protection and the promotion of employment.

"Effective social dialogue between the tripartite constituents is an important means of achieving national consensus on key labour issues," he said.

About the objectives of the training programme, the ILO representative said these are to strengthen tripartite social dialogue and collective bargaining as a means of economic and social justice.

Labour Secretary Ahsan Ali Sarkar said the programme is designed to enable participants to understand the essentials of the labour relations system and government-employers-workers tripartite co-operation in national economic and social policy making.

He said the manufacturing sector accounts for less than 10 per cent of the total employment in the economy and less than 20 per cent wage employment in the formal sector.

## Primary jute market: An analysis

## Govt did its part but growers didn't get it

By Ramendra Choudhury

wishes into action. If it gets more late, jute will go out of the hands of the growers and they will be deceived of their due share of price. The middle men and traders will get home with additional profit due to increased price later in the season.

Production of raw jute this year had been estimated to be above 50 lakh bales and would cross the last years quantum. As reported in the press, a tentative target of procurement had already been planned. The BJMC would procure 15 lakh bales, BJMA and BJSA taken together 15 lakh bales, and shippers for raw jute export would purchase 20 lakh bales. Considering the relevant facts and potentials this might be said to be a rational and pragmatic fixation of target.

The millions of jute growers are unorganised and incapable of holding their produce even for a month or two. The purchasers, on the other hand have all the means to delay purchase

or depress the market at will. The jute market, particularly the primary market has always been a buyers market. Traditionally and economically the jute growers are incapable of pressing home a fair bargain in the market. Here comes a point that requires a people's government to take some more responsibilities which go beyond just allotting money timely or passing the right instruction. It calls for close monitoring of the jute marketing situation and making changes and modifications wherever and whenever necessary.

For vitalising the jute market in order to protect the millions of jute growers from abnormal or tricky price depression the government may consider the following suggestions.

The BJMC, being the major public enterprise in the jute sector should ensure a faster procurement drive. With 157 purchasing centres, the BJMC may be instructed to purchase, as much as its storing facility permits, within August and

September. The quantity transported from any purchasing centre must be replenished by procurement within a fortnight (maximum) till the centre target is achieved. Declaration of centrewise target and the fortnightly procurement schedule for all the 157 centres should be made for this year as quickly as possible. And from next year such declaration should come by June positively.

The BJMA and BJSA and the shippers may be required to declare a justifiable districtwise procurement schedule along with the names and addresses of their procurement centres. A committee of experts convened jointly by the Ministries of Jute and Agriculture should be there to assess, approve and ultimately monitor aforesaid schedules. Once approved, the schedules will be treated as stick-fast obligations on the part of the purchasing organisations.

The Ministry of Jute will arrange wide publicity of the procurement schedules of the different organisations. The shippers may be permitted to use any port or authorised

route and any means of bulk transport for exporting raw jute.

The credit facilities from the banks may be disbursed in instalments commensurate with the progress of procurement.

There may be a system introduced for rewarding faster achievement of procurement target and highest export of raw jute and different major jute goods by different entrepreneurs.

The statistical information system in the jute sector must be improved to serve as a dependable basis for efficient planning and monitoring.

During the British and Pakistani regime the jute traders were not much dependent on bank loans. It is often said that there were much transparency and competition in the jute market during those days. Ways and means must be sought to reduce the loan-bound culture in jute trade.

The author is Chief Scientific Officer at Bangladesh Jute Research Institute.