

## 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, Gondaria 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 Telecommunications and Works Minister Mohammad Nasim and senior officials of T and T Board were present at the signing ceremony.

## Seed stores built in Patuakhali lying abandoned

PATUAHKHALI, 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 Galachipa, 14 in Baufa, eight in Kalapara and six in Mirzaganj thana of Patuakhali and 10 in Amtali, seven in Bogra, seven in Puthia, four in Comilla, four in Barisal and 14 in Sadar thana of Barisal 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 Reuter.

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 Sander said.

"What we saw starting in June was a significant slowdown in the rate of growth," Sander 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 Chaudhury acting Chairman of Bangladesh Academy of Sciences prof M Shamsher 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 that 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

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 Reuter.

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 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 producer 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 years a 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 to 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.

The problem has turned acute as no government purchasing centres have been opened in the district. The mills are also yet to set up purchasing centres as they cannot clear the backlog arrears.

Farmers said cost of production of per maund jute stood at nearly Tk 400 this season due to high cost of fertiliser and pesticides. They regretted that they did not get the fair price of irrigated paddy in the last season.

Meanwhile, the Adamjee Jute Mills in the sadar which has a liability of Tk 76 lakh of previous year, started purchasing jute at a slow speed. They were buying tosya variety at Tk 249 and deshi at Tk 220 which is below the cost of production.

The middlemen are fearing to enter the market and make fresh investment as they are yet to realise the last year's arrears of about Tk 3 crore from different jute mills. As a result, jute is being sold between Tk 140 and 220 per maund according to variety which is below the cost of production.

The needy growers are compelled to sell their produce at throw away prices to meet their daily necessities. Moreover, in the absence of jute price fixation, the growers cannot demand fair prices from the buyers.

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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.

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.

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.

## 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. BJMC and BJSAs 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