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HYUNDAI

CARS THAT MAKE SENSE

Evaluation says

Credit helps hardcore poor

Star Business Report

A donor consortium-supported impact evaluation of credit programme by the Association for Social Advancement (ASA) has found that credit and other human resource development interventions can effectively raise the income of the hardcore poor.

It also found that the borrowers who are in the programme for four years or more have been able to increase their income by 50 per cent.

The evaluation study conducted by Prof Michael Bruntrup of Hohenheim University of Germany also established that new borrowers could increase their income by 20 per cent through credit intervention and various other support services, says a press release of ASA.

The study report presented at a discussion meeting at the ASA office in the city recently also said about 90 per cent of the borrowers could ensure productive utilisation of credits.

The study was done on 520 households in 52 villages.

On the impact of development education, it found that 100 per cent of ASA members can sign their names, 80 per cent are aware of life centred issues and 70 per cent can practise this knowledge.

OPEC oil price drops slightly

VIENNA, Aug 20: The average price of the OPEC crude oil slipped to 18.04 US dollars per barrel last week, 52 cents down from the 18.56 dollars in the previous week, the OPEC's secretariat said, reports Xinhua.

The decline ended a five-week recovery of the oil price which started early July that saw 17.86 dollars per barrel, up from June's average 17.37 dollars.

The price began to rally since the end of June after oil ministers from the Organization of Petroleum Exporting Countries (OPEC) agreed to freeze their production quotas for six months to boost prices.

The price had fallen steadily from a peak of 25 dollars per barrel in January because of Iraq's possible reentry into the world oil market and the OPEC members' violation of oil production quotas.

Treasury bill auctions held

The 57th auction of the 90-day treasury bill, the 48th auction of the 30-day and 180-day treasury bills and the 22nd auction of the one-year treasury bill were held here yesterday, reports BSS.

Sixty-four bids for a total of Tk 551.00 crore, 13 bids for a total of Tk 44.50 crore, four bids for a total of Tk five crore and three bids for a total of Tk six crore were offered respectively against the 30-day, 90-day, 180-day and one-year bills.

Of these, 37 bids for a total of Tk 374.30 crore of 30-day bill and one bid for five crore of 90-day bill were accepted.

No bid was accepted against the 180-day and one-year bills. The weighted average prices of the accepted bids against the 30-day and 90-day bills were Tk 99.31 and Tk 97.92 respectively. The corresponding yields are 8.30 per cent and 8.50 per cent per annum, Bangladesh Bank said.

ROK economy grows

SEOUL, Aug 20: Propelled by strong exports of heavy-chemical products, South Korea's economy grew by a year-on-year 6.3 per cent in the second quarter, the central Bank of Korea said Wednesday, reports AP.

The growth rate, measured by gross domestic product, was down from the 6.9 per cent increase posted during the same period in 1996, but was higher than the 5.5 per cent growth in this year's first quarter.

In April through June, South Korea's exports of goods and services rose 24 per cent, led by active shipments of petrochemicals, semiconductors and automobiles. Imports rose 7.3 per cent, the bank said.

Bangladeshi banker honoured

Syed A J Rizvi, a Bangladeshi Banker and Founder Managing Director of Union Bank, of Zambia Limited, was elected Honorary Fellow of the Zambian Institute of Bankers in recognition of his contribution to the banking industry in Zambia, says a press release.

Prior to his joining the Union Bank of Zambia Limited as Managing Director in March 1991, Rizvi was a senior official in the erstwhile BCCI (Overseas) Ltd, Bangladesh and worked in various capacities.

Rizvi was also a part-time teacher of the Institute of Business Administration, University of Dhaka.

A top exporter manhandled as rival groups generate heat at EGM

BGMEA resolves to fight GSP cancellation move

By Govinda Shil

Garments manufacturers and exporters, at an extraordinary general meeting marked by heated debate and manhandling of a senior member, have voted against cancellation of 6,910 GSP certificates objected to by the European Union.

General members of the BGMEA at the EGM adopted strongly worded resolutions to deal with the current crisis, borne out of the EU's demand to cancel the certificates issued by the Export Promotion Bureau between 1993 and 1995. The EU has also demanded the EPB investigate into another 8,562 certificates in another category.

The BGMEA warned the government must shoulder the responsibility if the certificates were cancelled. The resolution said it should try to obtain a five-year GSP facility with a two-stage transformation for knit and sweater products.

The EGM asked the government that it include BGMEA president in the recently formed committee headed by the finance minister, compensate financial losses resulting from the ongoing dispute, try to retain GSP facilities for the EU market. The resolution also said the government committee must listen to the exporters before it makes a decision.

The BGMEA leadership called the EGM in the wake of a government move to cancel the Schedule B GSP certificates which "did not comply with the EU's rules of origin" criteria.

The special session, without giving any explanation however, also held the government responsible for the current deadlock.

The members had plunged into an acrimonious debate over how to tackle the problem before they adopted the resolution.

Some 200 BGMEA members, mostly sweater and knitwear manufacturers who are mainly worried about cancellation prospects, said European buyers had already been fighting their respective governments on duty-repayment issue. "Cancellation may harm the buyers. If not cancelled, EU authorities cannot claim compensation from their importers," Sikder argued.

Earlier, as the meeting began, Anisur Huq, the owner of Mohammadi Group, was virtually assaulted when he tried draw the attention of the meeting chairman Mostafa Golam Quddus. Huq only protested a speaker who was condemning Anisur Rahman Sinha and held him responsible for the crisis.

Some members, supporters of the current leadership, stood up to take on Huq physically but retreated as he apologised.

The incident prompted a number of factory owners to leave the meeting. Many others expressed their dissatisfaction. "It's really frustrating," said one member.

"I protested as I felt criticisms against Sinha were unfair and bordered on personal attack," Anisur Huq later told The Daily Star.

As a chaotic situation marked the meeting, a large number of participants were seen talking their problems among themselves in the lounge of the Hotel Sonargaon ballroom, the venue of the EGM.

A BGMEA press release claimed the resolutions were adopted unanimously.

Meanwhile, exporters have already started bearing the brunt. An exporter told The Daily Star that he had already paid US\$ 8,000 to his German buyer. "I paid my buyer because

he paid EU customs," he said. Khalilur Rahman, owner of Khalil Garments, said the government should not cancel the certificates directly. "Outright cancellation might raise question of credibility of a major government agency," he said. The officials can initiate talks with the EU to reach an agreement for a compromise package deal.

Many small exporters said they did not know what GSP meant. **Abdus Salam Khan**, who came from Narayanganj to the meeting, said: "I do not really know how I got into this trouble. I always try to make an honest living."

BGMEA vice president Abul Kashem Haider, first vice president Mahbub Ali, second vice president Nurul Haq Sikder, executive committee member Uzair Afzal, Atiqul Islam, Saiful Islam, Reaz Uddin Ahmed also spoke in the meeting.

Quddus launches crusade against corruption

Star Business Report

BGMEA's Mostafa Golam Quddus yesterday launched a crusade against harassment of garments exporters and manufacturers by government officials, calling upon fellow members not to offer bribes to any fire service, customs or bank officials for a deal.

"Never pay bribes to the fire service personnel for a safety certificate," Quddus told BGMEA members at an extraordinary general meeting when a manufacturer asked to help him get a safety certificate.

He asked members to submit to him the names who tried to take bribes. "I will see if someone seeks money from you illegally," The EGM was discussing GSP crisis.

Quddus however called upon the members to comply with the government safety regulations before applying for a clearance. "You have to maintain international safety rules," he said and added that no manufacturer should try to bribe officials for any kind of clearance. "Contact me personally if any such thing happens."

The BGMEA president also told exporters to refer the matter to him if bank or customs officials suggested any under-hand deal.

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U K Mittal, leader of the Confederation of Indian Industry's Steel Industry Mission to Bangladesh, spoke to the members of Metropolitan Chamber of Commerce and Industry, Dhaka on Tuesday.

Remittance marks rise

Remittance from Bangladesh employed overseas stood at Tk 3478.64 crore during the first six months of this year, marking a significant rise, reports BSS.

The figure was Taka 5685.30 crore last year (1996), which was 41 per cent of the year's total foreign exchange earnings.

Talking to newsmen at his secretariat chamber, Minister of State for Labour and Manpower M A Mannan said that during the January-July period a total of 125,056 skilled and unskilled manpower were sent officially to different countries.

Expressing his satisfaction over the growing demands for Bangladeshi manpower abroad, the minister said his ministry is exploring new avenues to expand manpower export. He said Russia, Australia and some African countries have also shown positive interest in recruiting manpower from Bangladesh.

Mannan, in this connection, said Saipan will also recruit

some manpower from Bangladesh and a delegation is likely to come here on August 26 when a memorandum of understanding is expected to be signed on the issue.

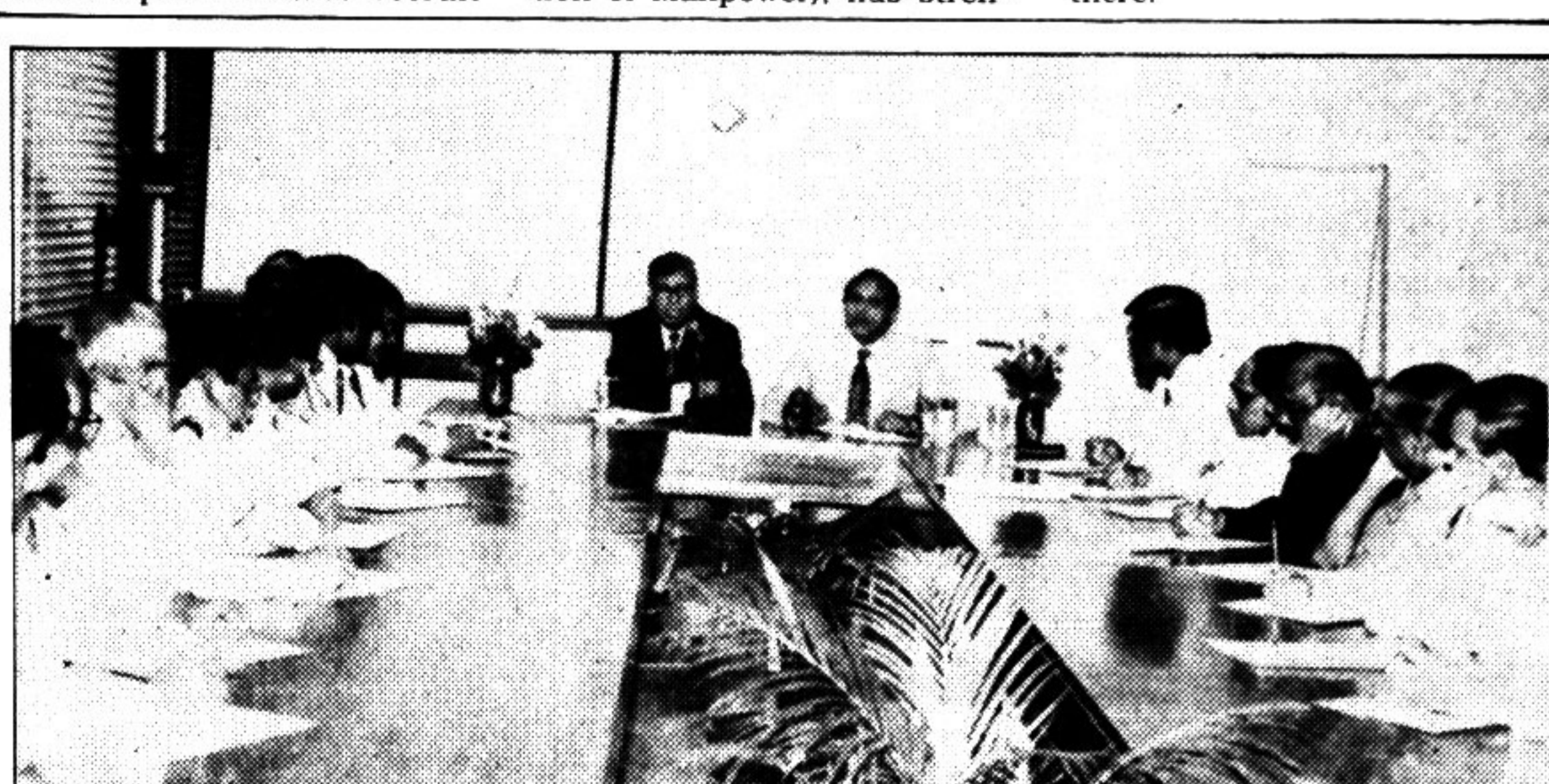
Mannan said the government had a target of exporting 205,200 people to different countries during 1997. Of the total, 125,056 persons had already been sent during the first six months of the year. They include 2,330 professionals, 38,337 skilled, 22,713 semi-skilled and 61,676 unskilled people.

The minister said the government is keen to send skilled persons instead of unskilled ones. It would help fetch maximum remittances as well as enhance the country's image abroad, he added.

He further said that to increase the skill of the intended foreign goers, the ministry, with the financial assistance of IOM (International Organisation of Manpower), has strengthened training on working English for persons of certain trade like medical service, garments manufacturing and catering. He said the Philippines workers got priority everywhere because of their capacity to speak fluent English.

In reply to a question, the minister told newsmen that because of correct persuasion of the government, about one and a half lakh Bangladeshi workers who were identified as 'illegal expatriates' by the Malaysian government got the opportunity to work there as legal persons. He said already 130,000 workers got yellow cards (work permit) while the rest would get it very soon.

Mannan said, however, Malaysia has stopped recruiting unskilled manpower from all over the world since September last year because of some of their "internal matters", but there is no restriction on export of skilled manpower there.



Shah Abdul Hannan, Chairman, National Board of Revenue, addressed the IFIC Bank head office executives and city managers on "Problems of revenue mobilization in Bangladesh" on Tuesday. Abbas Uddin Ahmed, Managing Director of the bank, presided over the meeting.

Malaysia freezes recruitment of Filipino domestic helpers

KUALA LUMPUR, Aug 20: Malaysia has frozen the recruitment of Filipino domestic helpers with immediate effect, the New Straits Times daily said today, reports Reuters.

It quoted Immigration Department Director-General Zakir Abdul Rashid as confirming the freeze, saying his department had received a verbal directive from the home ministry.

"As far as I know, the directive only affects recruitment, and not the status of those presently working in Malaysia," Zakri was quoted as saying.

The daily said Zakri did not

know the reason for the move, while Deputy Home Affairs Minister Tajul Rosli Qhazali declined to comment on the matter.

Officials at the home affairs Ministry and the Immigration

Department were not immediately available for comment, today.

The New Straits Times said there are 30,000 Filipino maids working in peninsular Malaysia.

Labour-short Malaysia also employs thousands of Indonesian, Sri Lankan and Indian women as domestic helpers.

The Philippines government recently proposed to raise the minimum wage of Filipino domestic helpers to 750 ringgit (270 US dollars) a month from 500 ringgit. It said the plan was to meet rising living costs and make the country more attractive for Filipino workers.

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Buyers less active at Ctg tea auction

CHITTAGONG, Aug 20: Weekly tea sale witnessed slightly declining trend as there was less activity from expert buyers this week especially Pakistan and Afghanistan, market sources said, reports UNB.

Medium brokens and fanning were generally lower than last week especially at the end of the sale held on Tuesday.

Polish buyers were also less forceful and operated at lower rates. Consequently, large and bold types declined by Tk 4 and Tk 5.

Internal buyers including blenders were initially quite active but from the second half there was less support from this quarter resulting in further drop in prices.

CTC Brokens: Large and Bold brokens were a lower market and declined generally by upto Tk 4 to Tk 5. Medium brokens were easier by Tk 2 to Tk 3 especially towards the close. Smaller brokens were easier by Tk 1 to Tk 2.5 at the beginning but declined by Tk 1 to Tk 3 with the progress of sale.

CTC Fannings: The market opened on a strong note but as the sale progressed prices were easier and declined by upto Tk 3. However, the plainest registered a lesser drop.

CTC Dust: 1960 chests, 1,725 gunny sacks on offer continued to meet with a strong demand. Better liquoring types were fully firm to slightly dearer following competition and generally sold above Tk 70. CDs met with improved competition and were a dearer market. All others including some lower valued teas sold well and appreciated more in value. Internal buyers continued to lend strong support with Pakistan once again operating for best liquoring RDs/PDs.

These policies lead to a substantial one-off reduction in risk premium and therefore a rise in the valuations emerging markets can support. Risk dropper in Asia in the 1970s and 1980s.

The policy shift only occurred in the 1990s in Latin America, but now looks to have nearly run its course. From now on, as a result, both regions will have to rely on higher economic growth and corporate earnings expansion to drive them forward.

However, despite its current problems, Asia still looks better placed than Latin America to deliver strong, sustained rates of economic growth and corporate earnings expansion, and over the next few years its equity markets should outperform, says a press release.

The study concludes that the most important factor "explaining" equity market trends has been the adoption of policies which boost the private sector and lower interest rates, such as reducing budget deficits and liberalising markets.

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Pro-private sector policies mark equity market trends

Although Latin America has made strong gains, emerging market equities overall since the mid 1980s have been subdued by the poor performance of Asia, according to Economics for Investment, the economics and finance publication of American Express Bank.

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DSE wants netting system

Star Business Report

The Dhaka Stock Exchange (DSE) is likely to make a formal proposal to the Securities and Exchange Commission (SEC) today seeking approval for introducing netting system in share trading.

The netting system allows the members of the stock exchange to submit the scripts and money after a regular interval on the basis of balance.

According to the source, the SEC asked the DSE councillors during a formal meeting between them yesterday to make a written proposal in this regard so that they can make required changes in securities and exchange commission act.

The source said though the DSE members had been demanding similar system in country's two stock exchange for several months but the SEC did not give any decision about the matter.

The Dhaka Stock Exchange councillors held an emergency meeting recently and took decision to introduce the netting system in share trading. As the SEC approved netting system in the country's second bourse Chittagong Stock Exchange CSE since its inception why the DSE would not get that facility? This was the argument and they were even ready to ignore the SEC.

Expecting intervention from higher level the DSE authority met finance minister S M A Kibria on Tuesday and informed him about it.

Finance minister also did not give any decision but asked the SEC to look into the matter and review the legal aspect in this regard.

Though the SEC officials asked the DSE to make the proposal formally today but it also warned them about the risk of netting system without automation of the trading floor and existence of Central Depository System CDS in the country.

During the meeting the DSE authority also urged the SEC to revise the system in the

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 20/8/97.

	Buying		
	TT Clean	OD Sight	OD Transfer
US Dir	44.4200	44.2545	44.1580
GB Pound	70.8227	70.5588	70.4050
D Mark	23.9815	23.8921	23.8400
F Franc	31.1184	31.0918	31.0764
C Dir	31.6876	31.5696	31.5007
S Franc	29.1543	29.0457	28.9823
JP Yen	0.3714	0.3700	0.3692

Name of Currency	T.T. & O.D.		B.C.
	US Dollar	GB Pound	
US Dollar	44.7105	44.7505	
GB Pound	71.8456	71.9099	
D Mark	24.3875	24.4094	
F Franc	7.2404	7.2469	
C Dollar	32.2270	32.2558	
S Franc	29.6594	29.6860	
JP Yen	0.3817	0.3821	

A) TT (DOC) US Dollar Spot Buying Tk 44.3372
B) Usance Rate

Days	30	60	90	120	180
Days	44.9635	44.9950	44.9231	44.8530	44.7128

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

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 20/8/97.

	Buying		
	TT Clean	OD Sight	OD Transfer
US Dir	44.4200	44.2493	44.1334
GB Pound	70.8112	70.5229	70.3380
D Mark	24.0050	23.9073	23.8446
F Franc	7.1238	7.0947	7.0762
JP Yen	0.3734	0.3719	0.3709
C Dir	31.6963	31.5672	31.4845
S Franc	29.1623	29.0435	28.9674

Name of Currency	T.T. & O.D.		B.C.
	US Dollar	GB Pound	
US Dollar	44.7115	44.7510	
GB Pound	71.8330	71.9131	
D Mark	24.4038	24.4309	
F Franc	7.2417	7.2497	
JP Yen	0.3820	0.3824	
C Dollar	32.2169	32.2527	
S Franc	29.6502	29.6832	

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

	Selling	Buying
US Dir	45.0500	44.5500
GBP	70.8300	68.8300
S Riyal	11.9000	11.5500
UAE Dh	12.0500	11.5500

Shipping Intelligence