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HYUNDAI
CARS THAT MAKE SENSE

Farias, not farmers, take it

From Our Correspondent
NATORE, Aug 23: Farmers in Natore claim 'farias' and middlemen are profiting from their sorrow as the jute market continues to slide.

At the beginning of the season, jute sold for between Tk 275 and Tk 350 a maund at local markets, but a recent glut has slashed prices by more than half.

Some market sources say jute prices are down because of a shortage of buyers, but others claim middlemen are manipulating the markets by fixing prices at artificially low levels.

Farmers, with so few buyers, are forced to sell at the artificial rate if they want to salvage anything from their estimated Tk 350 a maund investment, sources say.

Tk 36 cr BKB loan unrealised in Madaripur

MADARIPUR, Aug 23: Over Tk 35.58 crore credit of Bangladesh Krishi Bank in the district has been lying unrealised, reports UNB.

Bank sources said of the total, over Tk 21.05 crore is date-expired loan.

Meanwhile, of the disbursement target of Tk 9.98 crore in the last fiscal year, the bank disbursed about Tk 8.50 crore among the 9,156 farmers.

During the period, the target of loan recovery was Tk 8.15 crore but the bank realised Tk 8.33,85,000 exceeding the target.

China to revamp tourist section of Great Wall

BEIJING, Aug 23: China plans to clear out souvenir shops and parking lots adjacent to the Badaling section of the Great Wall and replace them with a "culture square," an official report said Saturday, reports AP.

Badaling, about an hour outside Beijing by expressway, receives about 20,000 visitors a day and is the most often visited section of the Great Wall.

The new blueprint for the area calls for markets, shops and parking lots right next to the wall to be relocated further away. In the plaza that will take their place will stand an ancient-style battlefield and statues of famous figures involved in the wall's history, the Xinhua News Agency reported.

At present, cars can only cross the Badaling pass by driving through a narrow gate in the Great Wall. In the future, vehicles will be forbidden from the scenic area near the wall, the report said.

The barren hills to the west of Badaling will be landscaped into a forest park, with an artificial waterfall and gardens, it added.

Blue-chip stocks surge on Wall Street

NEW YORK, Aug 23: Blue-chip stocks on Wall Street surged at the end of the trading day Friday thanks to a wave of computerized buying moments before the closing bell, reports AP.

The Dow Jones Index of leading industrials shed 6.04 points (0.07 per cent) to close at 7,867.91 after a bruising session that saw it dive more than 177 points, just a half-hour before the end of trading, it was still down 120 points.

Some 456 million shares changed hands on the broader New York Stock Exchange with decliners outnumbering advancers 1,902 to 980 and 459 issues unchanged.

On the bond market, the average yield of benchmark 30-year treasury bonds was 6.66 per cent against 6.62 per cent Thursday.

The stock market sagged throughout the day as a result of profit-taking focused on high-technology, especially semiconductors.

It also reflected the weakness of the bond market in connection with the expiration of bond futures, and the dollar's decline against the German mark in anticipation of Germany announcing a rate hike.

Normally a volatility like this is not a good signal in the short term, but not much internal damage has been done," said Jack Baker, analyst with Furrman Selz, money out of the blue chips is going into smaller stocks, lifting the overall market.

"All the new money is coming into pension plans, baby-boomers saving will support the market," he said.

The Dow should remain above the 7,618 mark achieved on Monday even though it could slide to 7,460 before ending its correction, Baker said.

MCI, which Thursday shed 17 per cent of its market value, closed down 5/8 at 29-15/16 and Bt Adrs Qup up 1-13/16 at 68-3/16 after the companies announced revised terms that analysts estimated reduced the price paid by British telecommunications for MCI by close to 20 per cent.

Crisis in Kenya comes as a boon for Bangladeshi chaa

Quality is all that counts now

By Toufique Imrose Khalidi

Despite an output slide because of a bad climate, drought in distant Africa has done countries such as Bangladesh a big favour as tea prices have shot up to highs exporters here haven't seen for years.

Kenya, world's top tea exporter, is down by some 36-37 million kilograms in output because of the drought, and auctioneers at Chittagong, along with their counterparts in south India, are reaping the results.

"The market opened on a strong note this year, and has now become stronger because of a severe drought in Kenya," says Rasul Nizam of National Brokers, leading auctioneers with some 60 per cent share in the Chittagong-based market.

Tea is selling between Tk 74 and Tk 75 a kilogram, a 30-taka jump from the last year's average prices.

Market sources in Chittagong cite reports from Mombasa to say it will be difficult for Kenya to recover from the

deficit. "They are unlikely to reach their usual output of 240-250 million kgs," said one source.

But the situation in other major exporting countries is not the same as Kenya. India, the biggest producer and consumer, is moving slightly above the last year's level. Sri Lanka and Indonesia have a similar situation.

"Globally there's a considerable shortfall," an auctioneer in Chittagong said.

Market for Bangladeshi tea is meanwhile expanding, with CIS and some developing countries being added to the list of buyers.

In India, auctioneers say, the internal market is going strong, which is leaving "not much for exports".

Auctions in southern India serve as important indicators for Bangladesh, and they say "signs are encouraging".

Industrywallahs here are happy, and say that there are "enormous growth prospects at

a time like this".

As prices run "at more remunerative level," most market analysts now talk of quality.

"We don't have the soil as the Kenyans have. But our growers are becoming quality conscious," said one exporter.

They say British-run tea estates, and some Bangladeshi ones, all based in Sylhet, are producing high quality tea.

The global shortfall only rescued the local industry from what could be a major crisis. An "unkind weather" coupled with problems such as collapse of Shayestaghat bridge made things difficult. The production was down by about a million kgs. And, luckily enough, higher transportation cost is being covered by good quotes at the Chittagong auctions.

Prices however were lower — Tk 46.52 a kilogram against the previous year's Tk 48.96.

Yet, the Tea Market Annual Report by National Brokers Ltd called the 1996-97 performance "quite satisfactory".

Recovering from the drought that caused production to plummet in the previous year, growers rewrote the record books with an output of 53.52 million kilograms, thanks to fine weather conditions.

Domestic consumption pattern — in both quality and quantity terms — is also changing.

to forecast made by National Brokers, came as the key to continued growth in an increasingly competitive global market in the current season.

Last year, auctioneers at Chittagong faced stiff competition from top growers such as India, Sri Lanka and Kenya but could still improve export figures by more than seven per cent — from 43.01 million kilograms in 1995-96 to 46.16 million in 1996-97.

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ing. National Brokers reported a steady growth, and said the local market swallowed more than 25 million kilograms last season. Loose tea is no longer in great demand; preference for packet or poly pack has become evident.

Market operators were jubilant because of a "strong revival of demand" from Pakistan and Afghanistan, destination for some nine million kilograms of Bangladeshi tea last year.

Poland remained an important player as usual for the auctioneers at Chittagong. China procured quite a lot under barter trade, and buyers from Sudan and Jordan also made their presence felt at the auctions.

Lower prices for plainer varieties at South Indian auctions forced a slide here as there was a glut of CTC teas globally.

This year, there is "a small carryover" from the last season.

Early production scenario had made exporters in Bangladesh happy about

prospects.

Auctioneers expected Poland, which has topped the buyers' list for many years, to continue its usual buying spree. Last year, almost a third of Bangladesh's tea exports went to the country. Pakistan and Afghanistan followed with about 21 and 18 per cent respectively.

The Polish have preferred bold and large broken, with Russia (2.4 per cent of total exports last year), Sudan (10.5 per cent) and Jordan (4.2 per cent) also showing some taste for this category.

Small broken and fannings have buyers from Pakistan and Afghanistan.

Auctioneers say these buyers will now look for "improved quality".

Quality is also important for local buyers, including packers.

"It is important that producers concentrate on manufacturing quality tea and take full advantage of the market this season," National Brokers said.

Dealers to keep petrol pumps closed in Sylhet Aug 24-26

SYLHET, Aug 23: The Sylhet divisional unit of Bangladesh Petroleum Dealers Association has decided not to lift petroleum products from the depots and to keep the petrol pumps closed on August 24-26 protesting the recent abnormal price-hike of fuel, reports UNB.

The association took the decision at an emergency meeting held Thursday night with its president Muhsinur Rashid in the chair. Dealers, agents and distributors of all the petroleum distributing companies participated in the meeting.

The Central Committee of the Bangladesh Petroleum Dealers Association also gave the government on August 24 deadline to realise its various demands, otherwise face a tough agitation after August 25.

Clinton wants to speed up trade talks

FDGARTOWN, Massachusetts, Aug 23: President Clinton next month will ask Congress to renew his authority for speedy negotiation of trade agreements, saying the "fast track" approach is needed to make US companies more competitive worldwide, reports AP.

"If we don't seize these new opportunities, our competitors surely will," Clinton said Saturday in his weekly radio address. He said he wants to use trade talks to broaden US access to markets in Latin America and Asia.

Other nations already have negotiated 20 trade agreements in Latin America and Asia, the president said, and the United States risks being left behind unless he is given authority to reach trade agreements without burdensome delays.

Fast track authority to enter into trade agreements has been held by presidents since 1974, but that authority will expire unless it is renewed next month. The administration and members of Congress are trying to work out differences on provisions dealing with workers' rights and the environment.

Clinton has insisted that any future free trade deals include clauses to prohibit exploitation of workers or damage to the environment, both vital interests of two key Democratic constituencies. Republicans in Congress have argued that those issues have little to do with free trade.

Clinton said now is not the time for his trade authority to become stuck in a legislative disagreement. That would threaten to remove the United States from atop the economic sectors where it is most competitive: agriculture, information technology, medical equipment and environmental technology.

"We have to continue to create high-wage jobs, and to do that we must continue to expand American exports," Clinton said. "After all, 95 per cent of the world's consumers live beyond our borders."

He said that 25 per cent of US economic growth now comes from overseas trade, and 11 million "good, high-paying American jobs," including one of every five manufacturing positions.

"To keep our economy growing and to create these good jobs, we must keep tearing down foreign barriers to American goods and services," he said.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 21/8/97

	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dir	44.4200	44.2545	44.1580
GB Pound	70.3100	70.0481	69.8953
D Mark	23.7981	23.7095	23.6578
F Franc	7.0637	7.0374	7.0221
C Dir	31.7240	31.6658	31.5369
S Franc	29.9855	28.8875	28.8245
JP Yen	0.3738	0.3724	0.3716

Name of Currency	T.T. & O.D.		B.C.
	US Dollar	UK Pound	
US Dollar	44.7105	44.7505	
GB Pound	71.3257	71.3895	
D Mark	24.2010	24.2227	
F Franc	7.1825	7.1890	
C Dir	32.2640	32.2928	
S Franc	29.4978	29.5242	
JP Yen	0.3840	0.3843	

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

Days	60	90	120	180
US Dollar	43.9835	43.9895	43.9955	43.9985
US Dollar	43.9835	43.9895	43.9955	43.9985

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

Name of Currency	Selling		Buying
	US Dollar	UK Pound	
Saudi Riyal	11.9212	11.7733	
UAE Dir	12.1810	12.0207	
KUW Dir	146.6399	144.7092	
D Guilder	21.5776	21.2758	
S Krona	5.5393	5.4675	
Malay Ringgit	16.0713	15.8557	
Sing Dollar	29.5509	29.1664	



OF POLITICS AND BUSINESS: The capital's commercial district Motijheel gave almost a deserted look Saturday, a holiday that has so far been ignored by private offices and enterprises, because of an extended weekend. The virtual shutdown for four days — thanks to Sunday's general strike called by opposition BNP and a public holiday to mark Janmashtami on Monday — hasn't made life all that easy for many businesses, small or big.

— Star Photo by Enamul Huq

Indonesian team says Dhaka-Jakarta ties offer scope to boost trade

The visiting Indonesian trade delegation yesterday expressed its keen desire to promote trade and business relations between the two countries in all available fields, reports BSS.

The members said the economic activities focusing on expansion of markets for each country's products could be augmented easily on the basis of the close historical, cultural and religious relations existing between the two countries.

The delegation members — Muchrim Hakim and Dr H Syahroel — were exchanging views with Bangladesh businessmen at Hotel Sheraton on the forthcoming 12th national merchandise and commodity show, to be held in Jakarta in October.

The show titled "Resource Indonesia" will be inaugurated by Indonesian President Soeharto on October 21. The six-day show expects participation from about 90 countries.

Muchrim Hakim, executive chairman of the Middle-East and OIC committee of the Indonesian Chamber of Commerce and Industry, invited Bangladeshi businessmen to participate in the show and display their manufacturers to attract the prospective buyers.

He said Indonesia might become a potential gate for

Bangladeshi goods to enter the ASEAN countries while Indonesia might take a chance to export its products to Bangladesh, Nepal, Bhutan and some provinces of India.

In this respect, he suggested establishment of 'Bangladesh house' in Jakarta and Indonesia house in Dhaka to help each country exchange information and increase visits of trade delegation between both the countries.

Hakim also suggested establishment of permanent shipping lines between the two countries which would help carry goods of Bangladesh and Indonesia to the prospective markets in the region and beyond.

Earlier, the Charge d'Affaires of Indonesian embassy in Dhaka, Shilliah Meqom, introduced the delegation members to the Bangladesh business leaders who included construction expert K Z Islam, Samson H Choudhury of MCCI, Rashed Moksud Khan of DCCI and Sharif Afzal Hussain of BCI.

Dr H Syahroel, representing the national agency for export development of Indonesia, gave a brief presentation on the show and said Prime Minister Sheikh Hasina's visit to Indonesia next month and President Soeharto's visit to Bangladesh next year would help a lot in increasing the bilateral trade relations.

The Bangladesh businessmen reciprocated by saying that the increased trade and business between the countries would greatly benefit the two peoples.

Vietnam trying to speed up privatisation

HANOI, Aug 23: Prime Minister Vo Van Kiet on Wednesday issued a directive to speed up the privatisation of some state-owned enterprises, a finance ministry official said Friday, reports AP.

The directive asked relevant government agencies to ease the privatisation process and persuade local people it is in their interests to buy shares.

More than 6,300 companies remain in government hands with only about 10 companies changing status since a privatisation programme was launched in 1993.

The majority of state-owned enterprises — SOEs — have assets worth less than 1 million dollars and the government has no plans to sell off major companies such as Petrovietnam, Vietnam Airlines or Vietnam Post and Telecommunications Corp.

The government last year said it wanted 100 SOEs to go public in 1997. Although 150 SOEs have registered with the board for privatisation, only 10 of them will go public by the end of this year, predicted the official, speaking on condition of anonymity.

The new directive calls for the Ministry of Planning and Investment to classify which SOEs that the state will need to retain 100 per cent control of and which ones in which the state needs to control only a majority of shares.

ROK pledges new aid package to DPRK

SEOUL, Aug 23: Responding to floods, drought and a looming famine in North Korea, South Korea and Saturday it will provide its rival with new aid package worth 10 million dollar in food and other assistance, reports AP.

South Korea's newest donation is targeted especially at children in nurseries, kindergartens and orphanages, the Ministry of National Unification said in a statement. The aid will be delivered through UNICEF.

The package also will include South Korea's first ever supply of farm equipment to the North, the ministry said. The date of delivery and other details will be determined later, it added.

Floods in 1995 and last year worsened chronic food shortages in North Korea caused by years of mismanagement and lack of fuel and farm equipment. A drought this year has laid waste to one-third of its farmland.

UN agencies have said North Korea needs 800,000 tons of food aid to tide it over until October's harvest. North Korean officials told relief agencies last month that 37 per cent of its children are malnourished.

The latest donation comes on top of the 19 million dollars South Korea already gave to UN agencies in two earlier aid packages for the North.

Separately, the South Ko-

rean Red Cross has committed 14 million dollars worth of corn, wheat flour, seeds cooking oil and blankets since late 1995.

UN officials say that without outside aid a famine could hit one-fifth of North Korea's population of 22 million.

Setting aside its tradition of defiant self-reliance, North Korea has so far accepted 316 million dollars in outside relief aid through UN agencies and the International Federation of Red Cross Societies, other charities and foreign governments, according to South Korean figures.

Inflation sharply up in Hong Kong

HONG KONG, Aug 23: Hong Kong's key inflation indicator rose sharply in July, gaining 1.2 per cent over June and 6.5 per cent compared with a year earlier, according to figures released Friday, reports AP.

The main indicator is the consumer price index, which tracks the 50 per cent of Hong Kong households spending between 2,500 and 9,999 Hong Kong dollars (320 and 1,290 US dollars) a month.

The B inflation index — measuring prices for households spending between 10,000 dollars and 17,499 dollars a month — gained 0.7 per cent in July over June, and 6.2 per cent year on year.

Nepalese govt sticks to its VAT programme

KATHMANDU, Aug 23: The Nepalese government yesterday reiterated that it would introduce a Value Added Tax (VAT) on goods from mid-November despite widespread criticism from businessmen and industrialists, reports AP.

A finance ministry official said that after the tax becomes effective, scheduled for November 16, "anyone or any businessman which imports goods without registering VAT, will have to pay 20 per cent customs duty instead of the 10 per cent tax paid by registered firms."

The level of tax was originally set at 15 per cent on imported goods, but was reduced.

The government expects the new tax to bring in some 50 million dollars during fiscal 1997-98 which ends July 15, 1998, the officials said.

The new law makes it mandatory for all firms and importers to obtain VAT registration if they import goods worth more than two million rupees (35,242 dollars) annually.

The Nepal Chambers of Commerce (NCC) and the Fed-

eration of Nepalese Chamber of Commerce and Industry (FNCCI) have jointly opposed the government's proposal to implement a VAT system saying it should be implemented only after local industries are able to compete with India.

The NCC and FNCCI have refused to obtain VAT registrations by the specified date and said they will continue to fight the tax.

The NCC and the FNCCI have called for two separate dawn-to-dusk general strikes across the country on September 8 and 9 to protest the VAT system.



BLTC DECLARES 42.5 PER CENT DIVIDEND: AM Agha Yusuf, Chairman, Bangladesh Leaf Tobacco Co Ltd, presided over the 19th annual general meeting at a city hotel yesterday.