

|                    |   |
|--------------------|---|
| <b>SHOWROOMS :</b> |   |
| Gulshan            | — 31 Gulshan Tower, Gulshan-2, Dhaka.<br>Tel: 9882192                                       |
| Malibag            | — 89, DIT Road, Malibag, Dhaka  |
| Mirpur             | — 674, Rokeya Sarani, Kazipara<br>Mirpur, Dhaka   |
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**SANYO**

# The Daily Star

# BUSINESS

DHAKA SUNDAY, AUGUST 24, 1997



**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 sag.

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**

MADRIPUR, 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 AFP.

The Dow Jones Index of leading industrials shed 6.04 points (0.07 per cent) to close at 7,887.91 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.

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 Furman 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 Qus 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 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 rewards.

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.

"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 Shyestagh 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.

**Last year's scenario**

Good harvests and higher exports gave good figures for Bangladesh's tea industry in 1996-97 but quality, according

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.

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

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 packed or poly pack has become evident.

Market operators were jubilant because of a "strong revival of demand" from Pakistan and Afghanistan followed with about 21 and 18 per cent respectively.

The Polish have preferred bold and large brokens, 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 brokens and fannings have buyers from Pakistan and Afghanistan.

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

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.

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Quality is also important for local buyers, including packeters. "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**

FIDGARTOWN, 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.

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 worker 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 US exports support more than 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 Senali 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 Dlr   | 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.Dlr    | 31.7240  | 31.6058               | 31.5369     |
| S Franc  | 29.9955  | 28.8875               | 28.8245     |
| JP Yen   | 0.3734   | 0.3724                | 0.3716      |

**Selling**

| Name of Currency | T.T. & O.D. | B.C.    |
|------------------|-------------|---------|
| 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. Dlr           | 32.2640     | 32.2928 |
| S. Franc         | 29.4978     | 29.5242 |
| JP. Yen          | 0.3840      | 0.3843  |

**Indicative Rate**

| Selling       | Buying   |
|---------------|----------|
| Saudi Riyal   | 11.9212  |
| UAE Dh        | 12.1810  |
| KUW DI        | 146.6399 |
| D Guilder     | 21.5576  |
| S Krona       | 5.5393   |
| Malay Ringgit | 16.0713  |
| Sing Dollar   | 29.3509  |
|               | 29.1664  |

**A) TT (DOC) US Dollar Spot Buying Tk. 44.3372**

**B) Usance Rate**

**30 60 90 120 180**

**Days Days Days Days Days**

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