


SANYO
Micro Computer Controlled Automatic Washing Machine ASW-40MT
Tk. 25,000



The Daily Star

BUSINESS



HYUNDAI
CARS THAT MAKE SENSE

DHAKA TUESDAY, SEPTEMBER 2, 1997

India's inflation falls to record low in 10 years

NEW DELHI, Sept 1: India's inflation rate has fallen to 3.75 per cent, a record low in 10 years, the United News of India (UNI) reported yesterday, says AFP.

The latest fall for the week ending on August 1, from 4.08 per cent the previous week, was unheard of in "economies undergoing the process of structural adjustment," the news agency said.

India's annual inflation rate, measured by the wholesale price index, has been in single digit for 124 weeks running. It had earlier stayed around four per cent for six weeks.

The UNI report came a day after Finance Minister Palanippan Chidambaram also announced at a meeting in Bombay the fall of the inflation rate to 3.75 per cent.

"It reflects the sound fundamentals of the economy on the back of more than normal monsoon rains and good performance of key industrial sectors," Chidambaram said, monsoon rains are vital for India's agricultural sector.

Chidambaram has said in February that the government would contain inflation at four per cent for the fiscal year to March 1998.

UNI said the 3.75 per cent was an achievement for India's fragile United Front coalition government, which is pursuing free-market reforms launched in 1991 despite opposition from its communist partners.

Essential goods in market without BSTI certificate

From Our Correspondent
MAGURA, Sept 1: Essential commodities including edible oil, bakery items, iodised salt, mineral waters, packet and tin foods are being sold in different parts of the country's 10 south-western districts without proper testing certificates, according to market observers.

About 130 such food items need certificates of Bangladesh Standard and Testing Institute (BSTI) before their marketing. BSTI tests and certifies the quality of these products.

According to sources, a large number of manufacturers of these items are marketing their products ignoring BSTI certificates.

Food items and mineral water must bear manufacturing and expiry date of the production but a section of manufacturers do not abide by the rules.

The litre system for weighing liquid substances like milk has not yet been introduced in the hats and bazars of the region. It includes Magura, Jhenidah, Narail, Jessore, Khulna, Bagerhat, Satkhira, Kushtia, Chuadanga and Meherpur.

According to officials of the BSTI regional office in Khulna, due to shortage of adequate manpower, they are not in a position to inspect the spurious commodities.

Tokyo's forex reserves rise to \$224b

TOKYO, Sept 1: Japan's foreign exchange reserves increased by 1.6 billion dollars in August to 223.9 billion dollars, the finance ministry said today, reports AFP.

The reserves consist of convertible foreign currencies, gold and International Monetary Fund (IMF) special drawing rights.

\$1m theme park project in Vietnam

TOKYO, Sept 1: Sumitomo Corp and Sega Enterprises Ltd, a major Japanese video game maker, will launch a one million dollar theme park project in Vietnam, Japanese company officials said Monday, reports AP.

It will be the first video game park to be set up in Vietnam, one of fastest growing economies in Southeast Asia, said a Sumitomo spokesman.

The new facility will be located on a 1,000-square-meter (11,250-square-foot) area inside a park in central Hanoi, Vietnam's capital. Its opening is slated for February in 1998. The facility will house various video game machines and personal computers for children.

The project, joined by Hanoi Green Trees Park Co., a nationally-owned Vietnamese company, is capitalised at one million dollar. The venture is owned 40 per cent by Sumitomo and 30 per cent each by Sega and Hanoi Green Trees.

The three companies will jointly set up the Amusement World of Vietnam Inc., a new Vietnamese joint venture in October, to operate the facility, which will expect 300,000 visitors in its initial year.

Sales are estimated at 500,000 dollars in the first year.

Siemens Bangladesh Ltd officials open a new outlet of its distributor, Brothers Ltd, at Lalmati of the city.

Siemens Bangladesh Ltd officials open a new outlet of its distributor, Brothers Ltd, at Lalmati of the city.

Working capital, term-lending rose in 1996-97

Contrary to what some business leaders say, the Bangladesh Bank (BB) statistics show that the country's banking sector is saddled with over Tk 2,000 crore of excess liquidity and that lending had also increased significantly last fiscal year.

On August 7 this year, the banks had a total excess liquidity of Tk 2,025.26 crore, which is much above Tk 1,400 crore, a sum BB officials say needed for smooth banking activities. A week earlier, the figure was Tk 2,273.49 crore.

A major part of this excess liquidity lies with the foreign banks, which have about Tk 702.15 crore. The Nationalised Commercial Banks (NCBs) have Tk 502.49 crore in excess liquidity, private banks Tk 563.66 crore and development financing institutions Tk 256.96 crore.

Meanwhile, official figures show that disbursement of working capital had increased to Tk 6,659.02 crore, up by Tk 2,983.33 crore, in fiscal 1996-97, compared to that of the previous year.

BB and finance ministry statistics also show that disbursement of term loans in 1996-97 was also higher than the three previous fiscal years, from 1992 to 1994. It was however less than Tk 70.90 crore less than 1995-96.

According to finance ministry sources, the lower volume of term lending reflects a tighter application of rules in loan sanctioning and that there are no "politically-motivated" lending during the period.

KL calls for mechanism to protect developing economies

KUALA LUMPUR, Sept 1: Malaysia has called for a mechanism to protect developing countries from excessive manipulation in its economy in the course of financial liberalisation, reports said yesterday, says AFP.

Deputy Premier Anwar Ibrahim, who is also Finance Minister, is committed to financial liberalisation but urged the United States and the International Monetary Fund (IMF) to defend developing countries against such practices.

"I have made it clear to the US Trade and Treasury officials and the IMF officials that we are still committed to liberalisation but they should also be committed to support developing countries against manipulative practices," he was quoted saying in The Sun daily.

Anwar said he was "not sure" if Malaysia will table offers on the world trade organisation agreement on financial services before December 12.

"They just want us to open the market and system for them to operate. But they are not in a position to protect and defend so that there is no abuse in the flexibility given," he added.

Citing the current economic weakness in Southeast Asia blamed on foreign funds, Anwar said liberalisation was not a ticket for people to abuse or manipulate the system.

"First you encourage and compel developing countries to liberalise, then you leave them in a lurch when they encounter problems due to excessive manipulation by irresponsible institutions and individuals like George Soros," he added.

Malaysia had blamed foreign funds and singled out US billionaire financier Soros for deliberately destabilising currencies and stock markets in the region.

Since July 1, the Thai baht had lost 38.5 per cent of its value against the US dollar, the Indonesian rupiah was down by 21.5 per cent, the Malaysian ringgit and the Philippine peso each fell by 14.9 per cent and the Singapore dollar lost five per cent.

Prime Minister Mahathir Mohamad had pledged to fight the speculators, whom he blamed for eroding more than 400 million ringgit (139 million dollars) from the Malaysian stock market and increased the value of foreign debts by 10 per cent.

Mahathir also rejected calls by the IMF for Malaysia to view the current crisis as a "wake-up call" to slow down its largescale projects and slammed the body as "not been very helpful."

Asian stocks come out of free fall, show signs of rebound

HONG KONG, Sept 1: Asian stock markets came out of free fall Monday and went into a fragile rebound from last week's spectacular losses, reports AP.

Hong Kong's Hang Seng Index, which shed nine per cent on Thursday and Friday to close at 14,135.25, opened fractionally lower, gained 50.42 points, then lost 108.19 to stand at 14,027.06.

Stock prices throughout Asia have been hammered by turmoil in their currency markets, compounded by Wall Street's losses last week.

But with US markets closed for the Labour Day holiday, traders in Asia looked set for a quieter day than usual.

In Singapore, shares rebounded to open slightly higher, with traders holding back to await developments.

The Straits Times Industrials Index was up 6.91 points in the morning to 1,812.55 from Friday's closing 1,805.64, the year's lowest.

Shares also opened higher in Taiwan, the Weighted Index gaining 105.28 points to stand at 9,861.75 after Friday's 71.02-point loss.

In Indonesia, whose currency has been battered by the recent turmoil, share prices opened higher.

On Sunday, Bank Indonesia moved to stabilise the rupiah by limiting the amount of forward deals between local banks and foreign parties to five million dollars per customer.

The rupiah, which had risen above 3,000 to the dollar, was down to 2,935 to the dollar in early spot trading, while the Jakarta stock market index was up 5,083 points, or one per cent, to 499,045 points.

But for Thailand, whose currency crisis triggered the disruptions in the region, no respite was in sight. Shares opened lower as investors continued to worry over the stability of the Thai baht, dealers said.

The index fell 4.97 points to 497.26, with losing shares outnumbering gainers by 48 to 5.

The more the baht declines against the dollar, the worse the debt burden becomes for Thai institutions that have borrowed heavily abroad.

Investors also fear that Thailand's new constitution, aimed at cleansing a corrupt political system, will be scuttled when it goes before Parliament Thursday, further destabilising Thai politics.

Tokyo's Nikkei average of 225 selected issues ended Monday's morning session at 18,182.62, down 46.80 points from Friday's close — a much smaller fall than Friday's 222.03 points.

But concerns persisted that Japan's economic recovery is stagnating.

Traders said Japan has large outstanding loans in the region and many companies have production plants in southeast Asian countries, so the upheaval could drag down Japanese growth.

"Consumption just isn't picking up," said Yoshihiro Ito, general manager of equity trading at Okasan Securities. He added that the dollar's gains cut both ways. A strong dollar helps Japanese exports, but its negative impact on southeast Asian economies could have repercussions in Japan.

The dollar was near 120.52 yen Monday morning, compared with 119.34 in late Tokyo trading Friday.

South Korea's stock market opened sharply lower amid concerns about the slow pace of the country's economic recovery, analysts said.

The Korea Composite Stock Price Index, which had fallen below 700 points Saturday for the first time since May 17, lost a further 9.15 points in the opening minutes of trading to stand at 686.22.

Dollar higher against yen

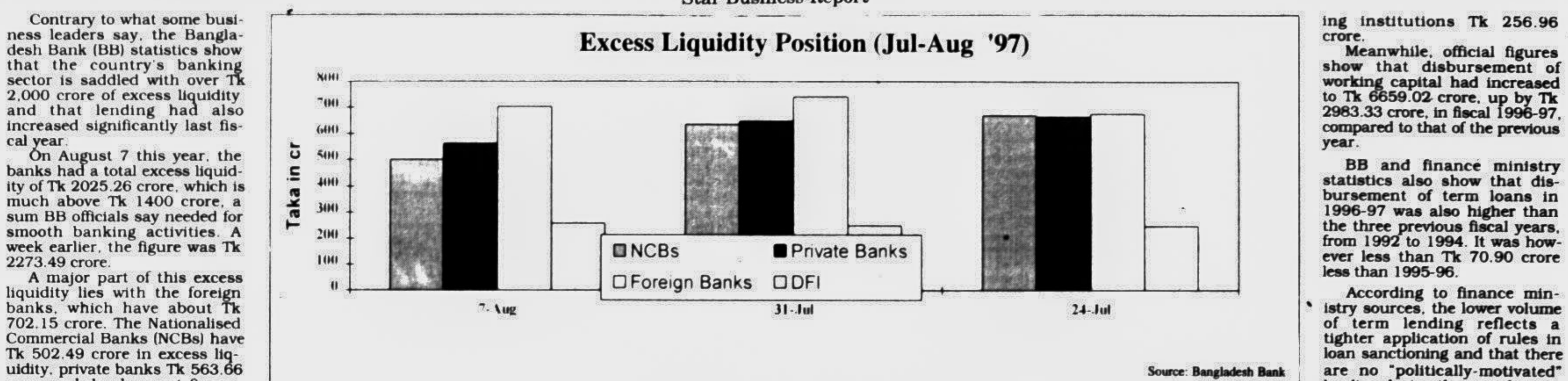
TOKYO, Sept 1: The dollar remained higher against the yen here at mid-afternoon, reports AP.

The dollar was trading at 120.56 yen at mid-afternoon, up 1.17 yen from late Friday in Tokyo. In New York, the currency settled at 120.80 yen on Friday, crossing the 120-yen level for the first time since May.

The dollar, however, was little changed from its levels earlier Monday, as Japanese exporters began to sell dollars, while other investors were taking profits.

The strength in the US economy and the likelihood of a rise in US interest rates continued to keep most market players bullish on the dollar.

Banks now beat borrowers down



Furnace oil crisis causes closure of 150 industries

RAJSHAHI, Sept 1: Acute shortage of furnace oil in the northern districts including Rajshahi has forced to close down more than 150 small and big industries, reports UNB.

According to mill and factory owners' association sources, another 100 industries will face closure if the shortage continues.

The furnace oil crisis has been prevailing in the northern districts for long for which most of the industries have failed to provide its supply of products as per the demand.

The association alleged that the industries of the area are incurring losses worth crores of taka due to less supply of the oil by the Bangladesh Petroleum Corporation.

Meanwhile, 21 industries, out of total 122 in Rajshahi, have so far been closed. Besides, 29 closed in Pabna, 28 in Dinajpur, 45 in Bogra, 24 in Rangpur, Gaibandha and Nilphamari districts.

The sources said about 200 crore litres of furnace oil are needed in a year for 33 units under the Board of Investment. But at present, BPC has been providing only 60 to 70 per cent of the total requirement.

Rest of the requirement of these units are to fulfil from outside market for which the units have to pay extra money, they added.

Besides, small industries cannot procure the oil after a bulk purchase of big industries from the BPC following the introduction of a new purchasing rule.

As per the rule effective since fiscal 1994-95, the industries have been allowed to buy oil from the BPC without any clearance from the Board of Investment.

Fuel prices up in Chuadanga

From Our Correspondent
CHUADANGA, Sept 1: Fuel prices have gone up in the district causing a great suffering to the people.

The scarcity of LP gas persists with its prices rising sky-high. As a result, the local people are being compelled to use firewood and kerosene as fuel.

Prices of firewood has also gone up. Massive felling of trees is also causing depletion of forest, resulting in ecological imbalance in the country, according to sources concerned.

Some dishonest dealers are taking the advantage of the crisis and selling the fuels at higher prices. Normally the price of LP gas is Tk 250 per cylinder, but it is now being sold at Tk 380 to 400.

Swiss Bank fined for breaches in share deal

LONDON, Sept 1: Swiss Bank Corporation's (SBC) London office has been fined a record amount for two separate breaches of city rules, reports Xinhua.

The bank was severely reprimanded by the Securities and Futures Authority (SFA) and fined 300,000 pounds (480,000 US dollars), the largest fine ever imposed by the regulator, for failing to observe the correct procedures during share transactions.

The decision follows an inquiry by the stock exchange and pressure from disgruntled investors who claimed they have lost profits as a result of selling shares in regional electricity companies to SBC.

In a separate ruling, the city regulator slapped a further 180,000 pound (288,000 US dollars) fine on the bank for failing to supervise its traders when the 500 million pound (800 million US dollars) Kleinwort European Privatisation Investment Trust was liquidated last year.

The SFA found that SBC failed to fully follow proper procedures to prevent such information passing between different parts of the bank.

The bank was severely reprimanded over both incidents and ordered to pay 176,000 pounds (281,600 US dollars) towards the costs of the disciplinary hearings.

It was reported that no criminal proceedings have been initiated because SBC employees acted in good faith during the Yorkshire affair.

KL calls for mechanism to protect developing economies

KUALA LUMPUR, Sept 1: Malaysia has called for a mechanism to protect developing countries from excessive manipulation in its economy in the course of financial liberalisation, reports said yesterday, says AFP.

Deputy Premier Anwar Ibrahim, who is also Finance Minister, is committed to financial liberalisation but urged the United States and the International Monetary Fund (IMF) to defend developing countries against such practices.

"I have made it clear to the US Trade and Treasury officials and the IMF officials that we are still committed to liberalisation but they should also be committed to support developing countries against manipulative practices," he was quoted saying in The Sun daily.

Anwar said he was "not sure" if Malaysia will table offers on the world trade organisation agreement on financial services before December 12.

"They just want us to open the market and system for them to operate. But they are not in a position to protect and defend so that there is no abuse in the flexibility given," he added.

Citing the current economic weakness in Southeast Asia blamed on foreign funds, Anwar said liberalisation was not a ticket for people to abuse or manipulate the system.

"First you encourage and compel developing countries to liberalise, then you leave them in a lurch when they encounter problems due to excessive manipulation by irresponsible institutions and individuals like George Soros," he added.

Malaysia had blamed foreign funds and singled out US billionaire financier Soros for deliberately destabilising currencies and stock markets in the region.

Since July 1, the Thai baht had lost 38.5 per cent of its value against the US dollar, the Indonesian rupiah was down by 21.5 per cent, the Malaysian ringgit and the Philippine peso each fell by 14.9 per cent and the Singapore dollar lost five per cent.

Prime Minister Mahathir Mohamad had pledged to fight the speculators, whom he blamed for eroding more than 400 million ringgit (139 million dollars) from the Malaysian stock market and increased the value of foreign debts by 10 per cent.

Mahathir also rejected calls by the IMF for Malaysia to view the current crisis as a "wake-up call" to slow down its largescale projects and slammed the body as "not been very helpful."

Seminar on emerging Asia opens in Manila

MANILA, Sept 1: A seminar on "Emerging Asia" sponsored by Asian Development Bank (ADB) was inaugurated by ADB President Mitsuo Sato at the bank's headquarters here today, reports BSS.

The problems and prospects of emerging Asian countries were outlined and analysed by government representatives, economists and practitioners of almost all member countries in the seminar.

The first working session of the seminar on "the policy agenda for emerging Asia" was chaired by the State Minister for Planning, Civil Aviation and Tourism Dr. Mohiuddin Khan Alamgir.

In his summing up of the views on and dimensions of the policy to be pursued by the Asian economies, the Bangladesh state minister called for giving political priority to growth, in this mosaic of priority, he emphasised the role of private enterprise and conducive monetary and financial policies to spur creative activities of all in a democratic environment.

For garnering adequate savings for longer investment required for growth, Dr. Alamgir said the banking and financial sectors of these economies face a challenge. To face this, facilitative and more prudent set of macro economic policies will be needed, he pointed out to the agreement of all.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 1.9.97

Buying			
	TT Clean	OD Sight Export Bills	OD Transfer
US Dir	44.4200	44.2545	44.1580
GB Pound	71.2470	71.9816	70.8268
D Mark	24.3783	24.2875	24.2345
F Franc	7.2438	7.2168	7.2010
C Dir	31.8039	31.6854	31.6163
S Franc	29.6034	29.4931	29.4288
JP Yen	0.3645	0.3632	0.3624

Selling		
Name of Currency	T.T & O.D.	B.C.
US Dollar	44.7105	44.7505
GB Pound	72.2983	72.3630
UAE Dh	24.7912	24.8134
F Franc	7.3668	7.3734
C Dollar	32.3453	32.3742
S Franc	30.1166	30.1436
JP Yen	0.3747	0.3750

A) TT (DOC) US Dollar Spot Buying Tk 44.3372			
B) Usance Rate			
Days	30	60	90
Days	43.9635	43.9635	43.9635
Days	42.2311	42.2311	42.1127

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

Indicative Rate			
	Selling	Buying	
Saudi Riyal	11.9212	11.7736	
UAE Dh	12.1734	12.0223	
KUW DI	146.8807	144.8278	
D Guilder	22.0694	21.7806	
S Krona	5.6809	4.9754	
Malay Ringgit	15.9794	15.7651	
Sing Dollar	29.8867	29.4977	

Plan to set up land-port in northern region

From Our Correspondent
NATORE, Sept 1: The government has taken up a plan to set up a land-port in the northern region of the country.

According to sources, of the three existing check-posts in the border advantageous one will be turned into a full-fledged land-port. The check-posts are located at Hilli, Sonamasjid and Burimari.

It is learnt that Hilli border is more developed than Sonamasjid and Burimari in respect of communication and trade.

Mongla Port Authority (MPA) has already been engaged in studying feasibility to promote a border check-post as land-port. The MPA Chairman, Sharif Atiqur Rahman who is examining the ins and outs for implementing the plan, visited some places, the sources said.

The plan has been taken with a view to raising revenue income.

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 1.9.97

Berth No	Name of Vessels	Cargo	L.Port Call	Local Agent	Date of Arrival	Date of Leaving
J/1	Navigator	Qi	Sing	Prog	8/8	2/9
J/2	IV Everett	Qi	Sing	Everett	25/8	1/9
J/5	Arktis Venture	Qi	Sing	Tsl	27/8	5/9
J/6	Tong Chuan	Qi	Tian	Bardih	22/8	4/9
J/7	Hill Harmony	Wheat(P)	Sing	Aass	1/8	4/9
J/8	Jennifer-R/ Khanak	Qi	Puch	Prog	23/8	2/9
J/9	Banglar Doot	Qi	col	Bc	30/8	4/9
J/11	Agra	Qi	Sing	Ipl	22/8	5/9
J/12	Da Fu	Cont	Sing	Api(B)	27/8	3/9
J/13	Banglar Robi	Cont	Sing	Pil(Bd)	23/8	1/9
Oct/1	Sea Elegance	Cont	Sing	Pil(Bd)	23/8	5/9
Oct/2	Qc Pintal	Cont	Sing	Qal	25/8	1/9
Oct/3	Dragon Sentosa	Cont	Col	Bardih	27/8	2/9
RM/14	Chosun Hope	Idle	Lian	Owl	28/6	4/9
Tsp	Aspidororos	R Sulp	Mad	Move	21/8	7/9
RM/6	Energetic	Cement	Sing	Rml	15/8	3/9
Doj	Shourabh	Idle	Bc	R/A	3/9	-
Dd/1	Thany Star	Idle	Para	Psal	23/8	10/9
Dd/2	Bushan	Repair	Pen	Ustc	23/8	10/9
RM/8	Mighty Tide	-	B Bay	R/A	-	-
RM/8	Zara	Repair	-	Nishan	R/A	1/9
Kalco(U)	Sea Bird	Urea	Mong	Cenl	28/8	2/9

Vessels Due at Outer Anchorage

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Leont 20/8	2/9	Sing	Ral	Cont	Sing
Pearl of Dammiam	2/9	Sing	Bma	R.Phos.	-
Venture	2/9	Fuja	Sinai	Scrapping	-
Sarahl-1	2/9	Yang	Crisp	Oil(Logs)	-
Meng Lee 22/8	5/9	Sing	Bdshp	Cont	Sing
Ultima 26/8	5/9	Sing	Bardih	Cont	Col
Pedana 26/8	4/9	Sing	Rsl	Cont	Sing
Vishava Pankaj	4/9	Mad	Ssl	Qi	-
Tong Ah	3/9	Sing	Mbl	-	-
Asian Harp	4/9	Kuch	Eba	Vehi	-
Roro/24/17/8	6/9	-	Oil	Qi	-
Vocean	4/9	-	Prog	Qi	-
Motovin	4/9	-	Ustc	Cement	-
Hui Feng	7/9	Dali	Enac	Cement	-
Anilda	5/9	Sing	Qcal	Cont	Sing
Diligence Cont 27/8	5/9	Sing	Mbl	-	-
Greenville-II	8/9	Sing	Ral	Cont	Sing
Vanessa 26/8	5/9	Sing	Ral	Cont	Sing
Meng Kiat 26/8	6/9	Col	Aml	Cont	Col
Meng Yang 11/8	6/9	Sing	Aml	Cont	Sing
Banglar Mont 26/8	7/9	Sing	Bc	Cont	Sing
Kota Bintang 28/8	7/9	Sing	Pil(Bd)	Cont	Sing
Pacific Ocean-iii	8/9	Mala	Othl	Ballast	-
Ritz	8/9	Mum.	Qcal	Qi	-
Qc Teal 31/8	8/9	Sing	Qcal	Qi	-
Kimberley	8/9	Dali	Mbl	C.Clinker	-
Net Jiang	8/9	Sing	Ecal	Qi	-
Pong Lee 25/6	10/9	Sing	Bdshp	Qi	-
Amrita Jaya-II	10/9	-	Everett	Qi	-

Tanker Due

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Daugava	3/9	-	Tsl	CPo	-
Technochem	3/9	Sing	Tsl	Cdso	-
Splendor	4/9	Rast	Uss	Crude Oil	-

Vessels at Kutubdia

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
Ismaya	-	-	B Bay	9/1
Orizont	-	Sing	B Bay	25/2
Smit Lloyd-72	-	-	B Bay	R/A(26/8)

Vessels at outer Anchorage

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
Rady On:				
Esco Argo	Qi	Bank	Rainbow	27/8
Tiger Star	Qi	Taiw	Prog	28/8
Weser Star (Cont)	Cont	Col	Bdshp	29/8
Kota Pushaka (Cont)	Cont	Sing	Pil(Bd)	30/8
M. Regina (Cont)	Cont	Sing	Pil(Bd)	30/8
Ya Feng	Cement	Lans	Delmure	12/8
Canon Arican	Cement	Kind	Psal	