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# The Daily Star BUSINESS

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**HYUNDAI**  
CARS THAT MAKE SENSE

## BJMC's failure to pay plays havoc in jute market

By Rafiq Hasan

Field-level jute traders have about Tk 90 crore in unpaid purchases by Bangladesh Jute Mills Corporation (BJMC) last year. This was one of the main reasons why money was in short supply in the market leading to record low prices of raw jute, ministry sources said.

According to them, the BJMC could not pay due to shortage of funds. One of causes cited by them was failure to pay by an African country against jute goods exports last year.

The government announced an allocation of Tk 152 crore for jute procurement this season, but BJMC has so far been able to give Tk 67 crore to the jute mills for payment against current purchases and previous year's outstanding bills.

The BJMC officials said that they had been sending money to purchase centres everyday, but that they did not know how much was being paid against previous year's overdue bills.

**Beximco Denims declares 20pc dividend**

Star Business Report

Beximco Denims Ltd declared 20 per cent dividend for the year 1996 at the 3rd annual general meeting held at a city hotel yesterday, says a press release.

The company earned a gross profit of Tk 139.23 million and net profit of Tk 76.83 million in the year '96.

**Beximco Synthetics declares 20pc dividend**

Star Business Report

Beximco Synthetics Ltd declared a 20 per cent dividend for the 1996, says a press release.

The declaration came at the sixth annual general meeting of the company held at a city hotel yesterday.

The company earned a net profit of Tk 89.24 million in 1996.

**New drink worries Indian tea industry**

COONOR, India, Sept 9: India's tea industry today said it was concerned that a new drink being tested marketed by Hindustan Lever Ltd would hurt small growers, says Reuter.

Officials of Hindustan Lever Ltd (HLL) are testing a tea mix comprised of 70 per cent tea, 20 per cent chicory and 10 per cent tapioca and is aiming the new product at the rural and bottom end of the market.

Tea growers said the new product could slash demand for their crops.

"The tea industry is seriously concerned over this situation," RD Vadera, President of the United Planters Association of Southern India (UPASI) said at its annual conference in the southern city of Coonoor.

**Maldives to get \$ 7m ADB loan for power project**

MANILA, Philippines, Sept 9: The Asian Development Bank on Tuesday approved a 46 million dollars loan for a road project in Laos and a seven million dollars loan to help boost power generation in the Maldives, reports AP.

The bank said the loan for Laos will improve about 300 kilometers (188 miles) of two national highways and about 100 kilometers (63 miles) of feeder roads.

The road improvement will link the resource-rich but isolated province of Xiang Khouang to the capital, Vientiane, and other parts of the country, the Manila-based bank said in a statement.

The loan to the Maldives will improve power supply in the country by adding 12 megawatts to the generating capacity of the state-owned power company.

Two new six megawatt generators are to be built and are expected to be operational by 2000.

Both loans are interest-free but carry a one per cent annual service charge. They are repayable in 40 years, including a 10-year grace period.

**Hilsha prices fall in Madaripur**

MADRIPUR, Sept 9: Price of different sizes of hilsha fish has registered a decline following its abundant supply in the market, reports BSS.

A big size hilsha is now between Taka 60 and Taka 70 as against Taka 130 and Taka 150 a fortnight ago.

About 20 to 25 maunds of fish are sold in a day while it was 50 to 60 maunds a week earlier.

"It's a continuous process, the centres take jute from suppliers and give receipts. Whether it goes against current supply or outstanding bills is not the factor," said a BJMC official. The official said he hoped the outstanding money will be paid within this month.

Of the Tk 152 crore the government decided to make available for jute procurement, Tk 76 crore has been approved as cash credit.

So far, 182 purchasing centres set up by 29 BJMC mills bought a total of 23.94 maunds of raw jute valued at Tk 60.32 crore. The average price was Tk 251.95 maund.

The BJMC officials attribute the money shortage to the outstanding bills worth about Tk 100 crore against exports to Sudan.

Moreover, the World Bank has stopped financing jute sector. Earlier, the corporation got an average Tk 240 crore

from the Bank every year under the so-called Jute Sector Adjustment Credit.

The lengthy procedure of disbursement by banks was another reason for creating money crisis in the jute market despite the government initiative at the start of the current jute harvesting season to provide necessary funds. "It took about two months for release of Tk 67 crore which was agreed before June this year," a senior jute ministry official said.

State Minister for Jute and Textiles A K Faizul Huq said at least Tk 150 crore more was needed urgently for bringing stability in the jute market. He recently visited some northern districts to see the market situation. The minister said though the production was high, the quality of jute was not very encouraging. He hoped that Russia and China would buy high quantity of raw jute this year.

The government may increase its procurement target from 18 lakh bales to 24 lakh bales for creating demand in the market, he said.

The minister said it is difficult for the government alone to bring stability in the market unless the private jute mills and jute exporters start buying because the state-owned jute mills buy only one third of the total production.

According to the minister, the BJMC has been asked to send money directly to the purchasing centres instead of to jute mills so that the procurement activity gets impetus.

Out of a total Tk 89.65 crore outstanding bills, the share of Adamjee Jute mills alone is Tk 21.70 crore. The liabilities of the jute mills in Chittagong zone is Tk 15.94 crore, and Tk 31.17 crore in Khulna zone. The rest Tk 20.83 crore is shared by six jute mills in Dhaka zone excluding Adamjee.

The uniform trading system for two bourses is likely to take a longer than expected time for implementation, according to Chittagong Stock Exchange (CSE) Chairman Amir Khasru Mahmud Chowdhury.

The six-member tripartite review committee headed by SEC member Shahabul Alam for a uniform trading system for both bourses has finalised its report and submitted to the SEC chairman for approval, he said.

The committee has completed its job, the draft report will be sent to Dhaka Stock Exchange (DSE) and CSE where it will be discussed among its council and board members for approval," Shahabul Alam said.

It will then be sent to the government for gazette notification, Chowdhury said.

"We will need about a month from the date of the decision. Because we will also have to recruit new manpower for its implementation," Chowdhury said.

The DSE Chairman refused to comment on the issue.

Meanwhile, a CSE statement said the bourse since its inception was settling its transaction by weekly netting system, which has proven scientific, efficient, transparent and investors-friendly.

The netting system is a new concept and it is practised on many leading stock exchanges in the world including the top three in this sub-continent. The CSE fully complies with the all the laws, rules, regulations and ordinance of the Securities and Exchange Commission of Bangladesh," CSE chief said in the statement, in an apparent reference to earlier criticism from DSE brokers that it was "illegal" and that there could not be two systems in one country.

However, he said, the CSE "may consider" the proposed common settlement system.

"The CSE will always welcome new and improved sys-

tems which may develop the capital market of the country and for the overall interest of general investors," he said.

Meanwhile, the DSE composite index shed 20 points, and trading declined by 15 per cent in terms of volume and 16 per cent in terms of value.

**Uniform trading system for bourses will take more time**

By Shamsur Rahman

**129 new money changers**

Star Business Report

The Bangladesh Bank has issued licences to another 129 firms as money changers in the third phase, the Bank announced yesterday.

It said the new licensees would operate in Dhaka and other regions of the country.

The central bank is also considering many other applications for such licensees, a press release said.

CSE will shift to own building by month-end

From Staff Correspondent

CHITTAGONG, Sept 9: All is set for shifting Chittagong Stock Exchange (CSE) to its own building at Agrabad by the end of this month, CSE sources said.

CSE bought 42 katas of land there at a cost of Taka three crore and built its own office and trading floor, wider than the existing office at Kasnia Plaza.

Already the administrative office of CSE has been shifted to its own building and the trading operation will start on this new floor by the end of this month, CSE sources added.

**JICA opens rural centre at Daudkandi**

Kanamaru, resident representative, JICA (Japan International Cooperation Agency) in Bangladesh yesterday inaugurated the union development centre at Jatogupot (south) in Daudkandi, reports BSS.

## 'Include manpower exchange in new world order agenda'

State Minister for Planning Dr Mohiuddin Khan Alamgir yesterday demanded inclusion of manpower exchange in the agenda of the new world economic order to ensure and expand the rights of the developing countries, reports BSS.

We believe manpower should be included in the free-flow of goods and manpower exchange under the new world order," Dr Alamgir said at a "follow-up workshop" on the world summit for social development which was held in Copenhagen in March this year.

He added: "In that case, the export of manpower from the developing to the developed countries would become more liberal and open."

UNDP Resident Representative in Dhaka David E Lockwood, NGO personality Ms Khushi Kabir, and Iftekharul Karim, a Director General in the Foreign Ministry, also spoke at the workshop titled "Follow-up of World Social Summit in Bangladesh: Agenda and Actions by the year 2000."

## Peasants protest forced labour in Pakistan

KARACHI, Sept 9: Hundreds of mostly Hindu peasants, waving placards and banners and calling for the release of jailed friends and relatives, protested yesterday against forced labour in southern Pakistan's Sindh province, reports AFP.

The men, women and children of the minority Hindu community carried signs and chanted "down with feudal," "release our men" and "stop oppression against the poor peasants."

Human rights activist Shafeel Pathan said about 4,300 poverty-stricken peasants were languishing in the jails run by influential Sindh landlords. Pathan said some had been confined for more than 25 years.

Bonded labour is common in some areas of Sindh and cen-

## Souvenir indeed!

RIYADH, Sept 9: A Saudi car salesman has offered 2.5 million dollars, more than double a previous offer, for the Mercedes in which Princess Diana was killed, Al Hayat reported on Monday, says AFP.

Abdallah Ibn Suleiman Al-Rajali, owner of several showrooms in the Gulf state, told the paper he could re-sell the car to a souvenir hunter.

The accident saddened us all, but it's not the end of the world. The idea of making money out of the car doesn't harm anyone, it's a way of expressing our loyalty to the princess," he said.

The State Minister said Bangladesh is committed to realising the declaration of the Copenhagen summit as it was made in line with Bangladesh's own development strategies.

He said the recently released draft five-year plan, now being finalised incorporating opinions and suggestions of cross-sections of people, will also give a guideline in realising the resolutions of the summit.

Lockwood said the UNDP resources estimated for Bangladesh for 1997-2000 period have been estimated to be around 100 million dollars all of which is "dedicated to poverty elimination."

**Sun-DHL accord on complimentary services**

Sun Couriers and DHL International, respective leaders in the South African domestic and international package delivery markets — will be supporting each other with complimentary services according to Tom Plummer, MD of DHL South Africa, says a press release.

In some cases sons and grandchildren were mortgaged for loans taken by their ancestors. They repay the money by working without wages.

These people live a very hard life and nobody pays attention to their agony," Pathan said. "They live literally in inhuman conditions with no return for their hard labour."

He said the human rights groups and contacted the authorities, including sympathetic politicians, on a number of occasions.

Ganga Das, 38, claims he was tortured and shackled while being made to do forced labour by his landlords.

The regional currency crisis has already been discounted," Li added.

The stock exchange of Hong Kong's key Hang Seng index gained 242.94 points to finish at 14,806.49.

"Most of the buying is on selective blue chips," he said.

**TOKYO:** Japanese share prices rose 1.7 per cent on selective buying amid an absence of fresh incentives, dealers said.

"Training is quiet and investors have no intention to take risk," said Sean Li Associate Director at Amsteel Securities.

"The regional currency crisis has already been discounted," Li added.

The stock exchange of Hong Kong's key Hang Seng index gained 242.94 points to finish at 14,806.49.

"Follow-through buying on the Malaysian bourse by local funds was also joined by foreigners who were seen returning to the market.

"We are seeing follow-through buying from Friday, some intra-day profit-taking seen earlier was well-absorbed," said a senior dealer at a local brokerage.

He said renewed buying interest across the board was largely due to improved sentiment on expectations that the government will curtail the country's economic problems.

The KSE-100 surged 5.9 per cent on measures to boost liquidity at financial institutions and ahead of a news conference on plans to restructure the ailing finance sector.

Follow-through buying on

the Malaysian bourse by local funds was also joined by foreigners who were seen returning to the market.

"The leading barometer of the

Tokyo Stock Exchange

closed 16.31 points to finish at

18,633.86, while the

topix index of all issues on the

first section closed down 4.05

points to 14,400.60.

A lack of buying incentives

## Barind farmers to get 'quality' seed on NBL credit

National Bank Limited has signed with a Belgian seed company a deal under which quality seeds will be supplied to the farmers in the Barind region.

The NBL, a commercial bank, has been working jointly with the Barind Multipurpose Authority since 1993, disbursing micro-credit in 26 thanas of greater Rajshahi areas, known as the Barind region.

Earlier, credit was used by the borrowers as crop loans and for purchasing other agricultural inputs. This time, the borrowers will also be given quality seeds, enabling them to raise their output.

Acting Managing Director of NBL Sarwaruzzaman Khan and General Manager of East West Seed (Bangladesh) Ltd Michael Devareware initiated the memorandum of understanding here yesterday on behalf of the bank's branches in the region have been asked to meet the total demand, he added.

The bank disbursed a total of Tk 3.31 crore among the farmers as credit for cultivation of boro and aman paddy, winter crops, wheat and other crops in the deep tube-well command areas under the Barind Multipurpose Development Project.

The recovery rate of the bank is 86 per cent, which is much higher