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# The Daily Star

## BUSINESS

**HYUNDAI**  
CARS THAT MAKE SENSE

THURSDAY, SEPTEMBER 10, 1997

## 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.

"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 per 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 on 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 huge 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.

## Uniform trading system for bourses will take more time

By Shamsur Rahman

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 Shahab 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," Shahab 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.

## 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 kinas of land there at a cost of Taka three crore and built its own office and trading floor, wider than the existing office at Kaspiya 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 Jogotpur (south) in Daudkandi, reports BSS.

## 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.

"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 Coonor.

## 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 Xieng 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.

## Hilsha prices fall in Madaripur

MADARIPUR, Sept 9: Price of different sizes of hilsha fish has registered a decline following its abundant supply in the markets, 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.

## '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 Copenhagen 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 feudals", "release our men" and "stop oppression against the poor peasants."

Human rights activist Shaheel 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-

tral Punjab provinces where peasants are kept by local landlords to recover debts, observers said.

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 human 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.

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## Souvenir indeed!

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

Abdullah bin Suleiman Al-Rujaili, owner of several showrooms in the Gulf state, told the paper he could re-sell the wrecked Mercedes a 280 at double the price 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.

Rujaili said he has tried for several days to make contact with Mohammed Al-Fayed, father of Dodi Al-Fayed, Princess Diana's companion who was also killed in the August 31 crash in Paris.

Last week, a Palestinian businessman living in Kuwait offered to buy the car for one million dollars.

But judicial sources in Paris have said forensic experts are likely to hold on to the vehicle for several months as part of an investigation into the crash. The rented car could even be kept for ever or destroyed, they said.

## 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.

The alliance arises from the termination of Sun's long-standing partnership with American operator UPS (United Parcel Service), which will establish its own operation in South Africa.

The two companies cross-border, regional service will also be refined, according to Sun Couriers director, Peter Baker. "We will continue to operate Sun Couriers' independent facilities to the neighbouring states," he said, but merging these operations with DHL where it makes sense.

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## 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, reports UNB.

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 financing 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 their respective sides."

"Although this is not the job of a commercial bank, we are doing this out of our social commitment," Khan said adding, "already we have a very successful credit programme there, now we will ensure quality seed at fair price."

He said the availability of quality seeds at a fair price had been a problem for the borrowers in the Barind region like any other places of the country.

"Now the quality will be ensured," he noted.

East West Seed started operation in Bangladesh last year with an aim to improve the quality of vegetable crops and provide the reliable quality seeds to the farmers, according to the company profile.

The Belgian company established a research farm at Joydebpur where new varieties are being developed to respond to the requirement of farmers, who have been frequently deceived by the poor quality of seed usually available.

The NBL chief executive said they did not fix any target of seed distribution as "we are still not accustomed to the demand." But 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 compared to Rajshahi Krishi Unnayan Bank (Rakub) which is struggling with a below 50 per cent recovery rate, according to sources concerned.



A memorandum of understanding has been signed between National Bank Ltd. and East West Seed (Bangladesh) Ltd. in the city yesterday.

## Stocks in Malaysia, Thailand continue to rebound

KUALA LUMPUR, Sept 9: Share prices in Malaysia and Thailand continued to rebound Monday following upheavals last week on current and equities markets, as other markets saw limited gains amid a lack of fresh leads, says AFP.

The Kuala Lumpur Stock Exchange 100-share weighted composite index soared 7.1 per cent Monday on the back of strong follow-through buying after a 12-per cent rise towards the end of last week.

Share prices jumped 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.

The 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 KLSX-100 surged 58.12 points to 879.71. The lesser second board index rose 45.91 points, or 11.5 per cent, to 446.92.

Another analyst said that the government is expected to announce more measures to address the chronic trade deficit

in its national budget which is scheduled to be announced on October 17.

Elsewhere in the Asia-Pacific region,

**HONG KONG:** Hong Kong share prices rose 1.7 per cent in 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 Amstel 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.

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

"Japanese share prices closed 0.1 per cent lower, with the nikkei stock average depressed by profit-taking in late trading brokers said."

"Lots of investors took a wait-and-see attitude today, as they are still unsure about prospects of US share prices," said a broker at Meiko Securities Co Ltd.

Public fund buying coupled with modest futures led buying supported share prices for most of the day, brokers said.

The leading barometer of the Tokyo Stock Exchange fell 16.31 points to finish the session at 18,633.86, while the topx index of all issues on the first section closed down 4.05 points at 1,440.60.

made share prices vulnerable to renewed dealer-led profit-taking, which emerged near the close, wiping out modest gains seen since soon after the start of trading, brokers said.

Activity was slow, with foreign and institutional investors mostly sidelined, waiting for a clearer direction on the near-term of US share prices to emerge, brokers said.

**SINGAPORE:** Singapore's blue-chip stock prices ended 0.4 per cent higher amid a share market recovery in neighbouring Malaysia.

"Prices are being dictated by development in Malaysia where a recovery is seen after some assurances that Malaysia is taking firm steps to counter financial and economic problems," a dealer with a local brokerage said.

The stock exchange of Singapore's blue chip benchmark, the Straits Times industrial index, rose 7.87 points to end at 1,891.93 while the broader All-Singapore index rose 9.76 points to end at 464.97.

**SYDNEY:** Australian share prices surged 1.2 per cent, driven up in late trading of blue-chip stocks, brokers said.

"Overall it was a pretty good performance by most of the majors. It was quite surprising," said Henderson Charlton Jones, broker O'Donovan.

"Obviously the investors are thinking let's get these stocks at reasonably impressive yields ahead of Wall Street."

The Australian Stock Ex-

change's main indicator, the all ordinaries index gained 30.2 points to 2,656.2. The all industrials index gained 48.5 points to 4,295.9 while the all resources index climbed 15.9 points to 1,374.8.

**BANGKOK:** Thai share prices jumped 5.9 per cent in thin trade on measures to boost liquidity at financial institutions ahead of a conference on plans to restructure the ailing finance sector, analyst said.

Speculative buying returned to the bourse following the government's announcement late Friday that it would break a new draft constitution designed to break a vicious cycle of vote buying and corruption analysts said.

The composite Stock Exchange of Thailand (SET) index rose 31.91 points to finish at 572.30 points, while the selected set 50 index was up 3.02 points at 43.06 points.

Interest was boosted Monday by a central bank announcement it would cut bi-monthly liquid asset reserve ratios for financial institutions, and a news conference on consolidation of the ailing finance sector scheduled after the market's close.

**JAKARTA:** Share prices closed 1.0 per cent higher amid expectations of more interest rate cuts and profit-taking by foreigners, dealers said.

"Some people are expecting the market to go even higher after last week's strong run with the assumption that interest will go down further," an insti-

tutional dealer at European brokerage said.

The Jakarta stock exchange composite index closed up 6.199 points at 66,311 points, off a high of 614 and a low of 590 points.

**MANILA:** Philippine share prices fell 0.1 per cent recovering from a drop during earlier trading following rumours that banks were in financial trouble.

Speculative rumours over the weekend of heavy bank withdrawals in thrift banks "brought the market down," said Juan Barredo, a vice-president of Sales with Citi Securities Inc. The market rebounded mid-session when those rumours "did not seem true," he said.

The Philippine stock exchange composite index fell 2.64 points to close at 2,106.58.

Philippine President Fidel Ramos also eased mid-session tension by announcing that he would not seek an extension to his six-year term or declare martial law.

**SEOUL:** Share prices closed 0.7 per cent lower on the Korea Stock Exchange on a lack of positive leads amid underlying concerns over the stability of the currency market, dealers said.

"While there is no particular market driving news, share prices traded weaker through the session on a weaker demand amid underlying concerns over the stability of the currency market," a Shinyoung Securities dealer said.

The composite index closed

down 4.93 points at 697.98 of a low of 696.05 and high of 703.65.

**SHANGHAI:** Shanghai's B shares, nominally reserved for foreign investors, rose 1.8 per cent on a technical rebound, analysts said.

The lower priced stocks around 10 yuan are still the most popular counters at present while the market is attractive due to upcoming 15th communist party congress, an analyst with China Guotai Securities Co said.

The Shanghai stock exchange's B shares index rose 1.41 points to close at 81.87 points, the A Share index of domestically-traded shares rose 3.29 points, or 0.3 per cent, to close at 1,311.88 points.

**TAIPEI:** The Taiwan stock market dropped 2.5 per cent as fund managers adjusted share-holdings, brokers said.

"The already weak market sentiment was dampened by fund managers lowering portfolios in overvalued electricals and their shifting to pursue construction issues," said Jerry Huang of Fuhsia Securities Investment Trust.

The Taiwan stock exchange weighted price index shed 233.44 points to 9,149.29.

**AUCKLAND:** The New Zealand stock exchange closed down 0.4 per cent on the impact of top share telecom corp. going ex-dividend dealer said.

The NZSE-40 capital index closed 10.00 points lower at 2,462.67.

## Shipping Intelligence

Chittagong Port

Berth Position and Performance of Vessels as on 9.9.97

No				Call	Agent	Arrival	Leaving
J/2	Agra	Q	Sing	Ipi		22/8	11/9
J/5	Sarah-1	Q	Yang	Cross		2/9	13/9
J/6	Ocean-1	Q	-	Cross		R/A	11/9
J/7	Vishava Pankaj	Q	Mad	Sai		7/9	12/9
J/8	Motovin	Q	Sing	Prog		4/9	13/9
J/9	Ultima/Khanak	Cont	Mong	Baridhi		6/9	10/9
J/11	Alam Tengkas	Urea	Indo	Move		R/A	10/9
J/12	Great Portress	Wheat/F	Banc	Rcl		28/8	11/9
J/13	Leopord	Cont	Sing	Rai		2/9	9/9
Cd/1	Vanessa	Cont	Sing	Rai		6/9	12/9
Cd/2	Padma	Cont	Sing	Rai		4/9	10/9
Cd/3	Diligence Container	Cont	Sing	Qcal		5/9	10/9
Cd/4	Ya Peng	Cement	Mad	Delmure		12/8	13/9
Tp	Aspidoforo	R. Subp	Mad	Delmure		21/8	13/9
Rn/6	Shao Shan	Cement	Lana	Delmure		14/8	21/9
DDJ/1	Tanyar Star	Idle	Pana	Paul			
DDJ/2	Bustan	Repair	Pera	Ustc		23/8	15/9