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The Daily Star BUSINESS

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HYUNDAI

CARS THAT MAKE SENSE

Dhaka, IDB sign 3 loan accords for power sector tomorrow

Islamic Development Bank will sign three loan agreements with Bangladesh government for power sector including rural electrification and infrastructure-building, reports UNB.

The agreements will be signed when IDB President Dr. Ahmed Mohammed Ali pays a one-day visit to Bangladesh on Wednesday, officials said yesterday.

IDB has provided Bangladesh with economic assistance totalling 800 million US dollars, equivalent to Tk 3,600 crore.

During the tour, Dr Ali will call on Prime Minister Sheikh Hasina to discuss matters of mutual interest and bilateral issues.

He will also call on the Finance Minister and the State Minister for Civil Aviation and Tourism.

The IDB President is expected to attend the 11th Convocation ceremony of Islamic Institute of Technology (IIT), Gazipur. He will go back the same day.

JB sanctions Tk 315 cr for jute buying

Star Business Report

Janata Bank has sanctioned Taka 315 crore to buy jute during the current season.

The money will be given to public and private sector jute mills, jute traders and exporters as loan, says a press release.

The bank has already issued directives to all its concerned branches for quick disbursement of the loan.

The bank's Credit Division (jute) has been monitoring the jute loan disbursement constantly.

SB to disburse Tk 58 cr for 11 fishery projects

Sonali Bank has set a disbursement target of Tk 57.50 crore for its 11 ongoing fishery programmes in the current financial year to meet the local demand for protein and make the agro-based economy more production-oriented, says a press release yesterday.

The programmes have been taken up to upgrade the pisciculture as an agro-based industry.

The programmes include Credit Programme for the Poor, Swamirvar Credit Programme, Farming and Off-farming Credit Programme, BRDB and other Credit Programmes, Special Investment Programme, Credit Programme for Pond Fisheries, Credit Programme for Agri-industries, IDA Credit Programme for Shrimp Culture, Programme for traditional Shrimp Culture and Programme for Shrimp/Carp Hybrid.

Under the Special Investment Programme, 1126 fish farmers were provided with credits amounting to Tk 10.87 crore over the last three years. Most of the loans under this programme were at the marginal level or were small entrepreneurs.

Under the Credit Programme for Agri-industries, 13 fish farms have so far been provided with credits amounting to Tk 2.50 crore approximately. Six semi-intensive shrimp projects have also been provided with credits amounting to Tk 9.25 crore.

Under the Fishery Programme, credits amounting to Tk 10.23 crore were provided for fish cultivation in 5,185 ponds across the country.

Credits amounting to about Tk 83.00 lakh were provided for 63 pond fishery projects under the Farming and Off-farming programme. In the coastal areas credits amounting to Tk 24.82 crore were distributed among 491 shrimp cultivators.

Banking sector suffering from anaemia: Saifur

SYLHET, Sept 15: The banking sector is suffering from 'anaemia' and the country's economy facing serious threat, said former finance minister Saifur Rahman, reports UNB.

He was addressing a meeting of Bangladesh Nationalist Party (BNP) at Court Point here Thursday with its district president M A Huq in the chair. Saifur Rahman observed government's wrong policies caused a colossal loss to the national economy.

He said export business shattered, equally affecting import trade as it depends on the income from exports. And "foreign investors lost interest in putting their money here".

Outlining the successes of the BNP government, Saifur said the AL government devalued currency for ten times in last ten months, which has never happened in the history of the country.

IMF says reforms key to attracting external aid

'Resist pressure for pay hike'

By Toufique Imrose Khalidi

The International Monetary Fund (IMF) has suggested that strengthening fiscal policies be the prime agenda for Bangladesh, as part of which the government should try to 'resist pressures' for pay hike in public sector.

The IMF in its annual report says the government has to make 'timely cuts' in spending on low-priority plans, even if they are funded with local resources.

Low revenue, high government borrowing, independence of the central bank, dwindling foreign exchange reserves, inflation, long delays in reforms are the key areas that IMF says

should be taken care of urgently.

And much will depend on reforms if Bangladesh wants to woo external assistance, according to the global monetary watchdog.

'Bolder policies' on these critical fronts can come from the present government, which being 'new' has the 'opportunity' to do so. The recommendations follow review of the 1996-97 financial year.

'In view of the country's low ratio of revenue to GDP... the authorities should vigorously pursue tax administration reform, a broadening of the tax base, and elimination of tax ex-

emptions,' the 1997 annual report said.

The report was placed at the late April meeting of the IMF Board of Governors in Washington. The Daily Star obtained the text of the full report yesterday.

According to IMF, it is important that Bangladesh put a brake on domestic credit growth by 'limiting the expansion of bank borrowing by the government and curbing central bank lending to (commercial) banks and to specialised institutions', calling for 'a more independent and effective role of the central bank'.

It has also spoken of a 'more market-based exchange regime'.

This would help to prevent a further decline in reserves and help the conduct of monetary policy while avoiding recourse to administrative control on imports.

A 'further flexibility' of interest rates, it says, could help bring about better results in reducing inflation and strengthening international reserves.

But the slow pace of reforms has been underlined boldly in the Bangladesh chapter of the annual review. 'Prolonged delays in implementing structural reforms were an important reason for the economy's

lacklustre performance over the past few years... top priority should be given to the early reform of the closely related problems in the financial sector and public enterprises.'

The IMF finds satisfactory the improvements in bank supervision, but says the process of restructuring the banking system needs to be geared up. 'The authorities have to proceed quickly to develop a comprehensive programme of reform and privatisation.'

'Establishing a strong record of fundamental and sustained reforms would help Bangladesh to mobilise needed external assistance,' it says.

Manpower development, poverty alleviation

Govt to support realistic approach by any quarter

State Minister for Labour and Manpower M A Mannan said the government would support all realistic approaches in manpower development and poverty alleviation by all quarters in the private and public sectors and the NGOs, reports BSS.

He expressed the hope that the efforts of ILO for community-based training approach and methodology would be helpful in reaching the training facilities at the door-steps of the rural people.

He assured that the government would consider the recommendations of the work-

shop.

The State Minister was delivering his inaugural speech at a four-day national workshop on community-based training for employment generation and poverty alleviation held yesterday.

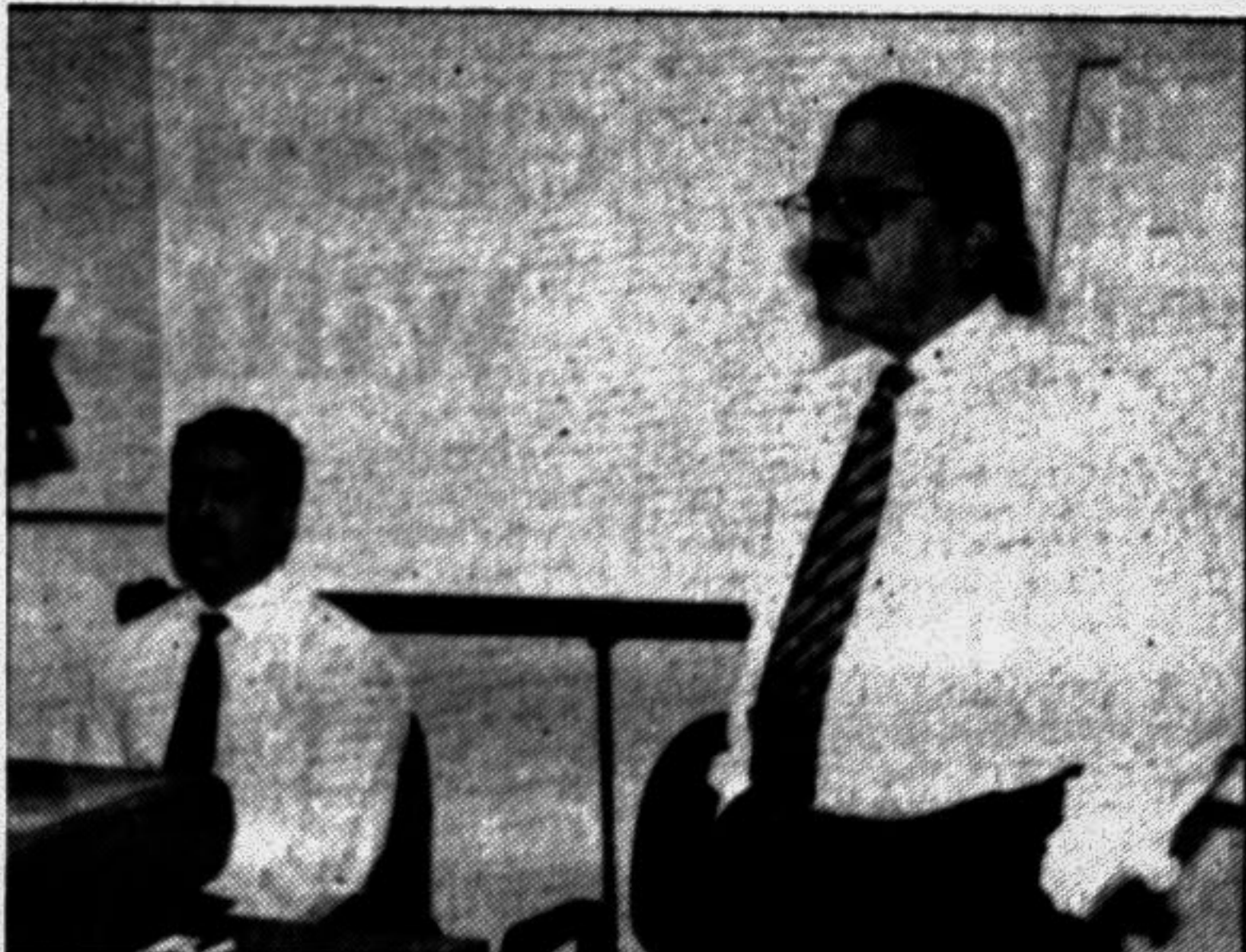
Jointly organised by the Bureau of Manpower, Employment and Training (BMET) and International Labour Organisation (ILO) the objective of the workshop is to strengthen manpower training infrastructures at district and thana levels.

A total of 30 senior government officials representing dif-

ferent ministries and representatives from NGOs are taking part in the workshop.

Mannan said the present government is determined to establish the unemployed people in society specially at village level.

Director General of BMET Quazi Abdul Bayes said about 90 per cent industrial workers in Bangladesh had no formal training. He said only two to three per cent workers were trained by different government facilities while the rest were trained by NGOs and private organisations.



Osman Morad, Head of Institutional Banking for Middle East and South Asia, speaks in a workshop on 'Banking for banks' organised by Standard Chartered Bank, Bangladesh for local commercial banks.

Bangladesh gets access to global environment facility

Bangladesh, for the first time, has got access to the global environment facility (GEF) fund through the project on coastal and wetland biodiversity management which was signed here yesterday at a simple ceremony by representatives of the government and UNDP, says BSS.

The project will initially start with a preparatory assistance of 235,000 US dollars (over Taka one crore) leading to development of a project proposal estimated at 3 million US dollars (Taka 12.5 crore).

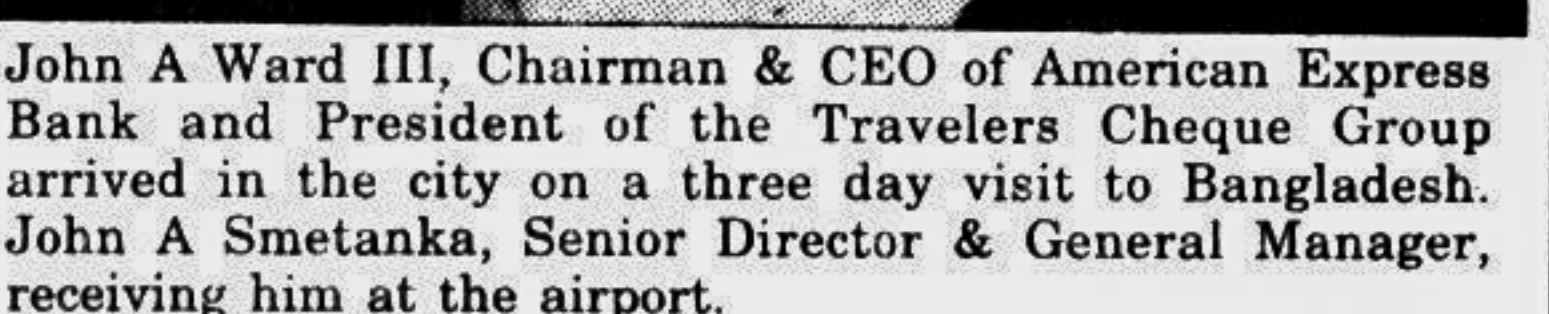
The preparatory assistance document was signed by Abul Kalam Azad, Joint Secretary (UN), Economic Relations Division, Ministry of Finance and David E Lockwood, Resident Representative of UNDP.

After the signing, the UNDP Resident Representative told newsmen that the global environment facility (GEF) was created in late 1990 by the industrialised and developing countries to provide incremental resources to recipient countries for projects and activities that aim to protect the global environment in four focal areas: biodiversity, climate change, international waters and ozone layer depletion.

Bangladesh is already participating in the global efforts to phase out ozone depleting substances through GOB-UNDP on-going project titled 'institutional strengthening for phase-out of ozone depleting substances under the Montreal protocol'.

Under GEF, the GOB-UNDP biodiversity project aims to build an innovative reserve and implement a multiple resource use management programme for the protection and sustainable management of natural resources in at least three priority coastal and wetland biodiversity sites in Bangladesh which will be selected through a study of the vulnerable sites identified under the national conservation strategy, said Azad.

He said it falls under the government's plan to develop a full-scale biodiversity project for Bangladesh with integration of conservation and sustainable development concerns by 1997.



John A Ward III, Chairman & CEO of American Express Bank and President of the Travelers Cheque Group arrived in the city on a three day visit to Bangladesh. John A Smetanka, Senior Director & General Manager, receiving him at the airport.

SCB workshop on 'Banking for banks' held

Star Business Report

A workshop on 'Banking for banks' for local commercial banks was held in the city yesterday.

It was organised by Standard Chartered Bank.

Mamun Rashid, head of Treasury and Institutional Banking, inaugurated the workshop. Osman Morad, Regional Executive for Middle East and South Asia, was the guest of honour, says a press release.

Speaking on the occasion, Rashid focused on the bank's upgraded service capability and commitment to excellence.

Morad dwelt on the SCB's commitment to become a bank of choice for local banks. He emphasised better pricing, credit lines, service quality and above all relationship while considering the strength of a correspondent bank. He also called for timely settlement of overseas payments for overall image of the country.

Later talking to The Daily Star, he said he met government officials and discussed the need for reforms in the existing laws and adopting new ones.

Kinnannon told The Daily Star since Bangladesh was a signatory to the World Intellectual Property Organisation, it has to modify its existing laws to comply with the international standards.

'But if government postpones to compliance with it, its economy will suffer,' the USIS Director said, adding that it would rather discourage investors.

Cookson said many interested investors could not come here due to absence of adequate intellectual protections.

Seminar told Effective laws needed to protect creative work

Star Business Report

Bangladesh needs to develop stronger Intellectual Property Right (IPR) laws in order to protect interests of local entrepreneurs. This will give them incentives to invest more, which will bring in foreign exchange for Bangladesh, according to participants of a seminar here yesterday.

'Bangladesh needs it to attract investment,' said President of the Copyright Society of the United States Judith M Saffer, here to attend the seminar jointly organised by the American Chamber of Commerce (AmCham) and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Saffer, a copyright expert, said if intellectual creations or writings were not protected, the coming generation would not come forward in such areas.

'If text book writers are not protected by law (and everybody copies their creation), they won't write them,' she told reporters yesterday at a press conference organised by the United States Information Service at a local hotel.

Lawyer Ghazi Shamsur Rahman, AmCham president Forrest E Cookson, and USIS Director John Kinnannon were also present.

Judith said Bangladesh needs to develop its copyright laws in line with the international standards to protect intellectual property rights, aiming to attract investment and boost computer software business.

The day-long seminar came up with 10-point recommendations which included amendment to the country's copyright laws, adequate enforcement mechanism, reduction of custom duty on software and keeping software prices within reach of the local users.

The seminar decided to send the recommendations to the Chairman of Copyright Amendment Committee for further consideration.

Citing an example of India where annual turnover from software manufacturing reached one billion US dollars, Judith said there's no reason why Bangladesh should not also tap the opportunities by adopting such laws.

Ghazi Shamsur Rahman said investment in intellectual property must be protected to encourage new investors and potential entrepreneurs.

Ideas do not have copyright, he explained, unless those are not materialised to earn money. Rahman also underlined the need for access to information and knowledge.

Once upon a time, Judith said, Kings used to support intellectuals to encourage their creative activities which benefited their people. 'But now-a-days government does not support these people, so their creations need protection,' she added.

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BDR swoop on smuggling soon

The government has planned a crackdown on smuggling to protect the domestic market from being gutted by contraband that posed a threat to the national economy, reports UNB.

It will be a well-coordinated drive, to be launched shortly, backed up with modern setup regarding information and coordination. BDR authorities announced yesterday.

To beef up the drive, they told newsmen, the formation of a coordination team comprising various agencies like National Security Intelligence, police and customs is under consideration.

Also, to control illegal cross-border trade, the government is taking steps to revive the joint checkpoints of various law-enforcing agencies which were folded up in 1995.

The government has taken several other steps to strengthen the anti-smuggling drive, including raising new 15 BOPs, constitution of a committee to amend the anti-smuggling laws, setting up central information cell in Dhaka.

The measures are being taken to embolden the tenuous position of Bangladesh Rifles, the officials said giving comparative data on the strength of BDR and their Indian counterpart, BSF.

They said the number of BSF (Border Security Force) camps in Indian border areas is about three times the BOPs (Border Out Posts) in Bangladesh with 35 to 45 personnel manning each camp.

'It is difficult to police the 4427-kilometre border with 496 BOPs manned by about 14 personnel each to cover 8 to 10km between two posts,' said a BDR high official.

Anti-smuggling mission could attain its goal by mobilising people's co-operation, increasing BDR forces, amending anti-smuggling laws in the country, he viewed.

The average BDR-BSF ratio of personnel is 1:6, with which Bangladesh maintain border security.

People living in the border areas are involved in the smuggling profession due to unemployment problem, but, on the other hand, people in those areas also help provide information about smuggling.

Argentinian economist becomes new UNIDO chief

By R. Senthilnathan

VIENNA, Sept 15: A united stand by developing countries ensured the election of a 35-year-old economist-turned-politician from Argentina as the next head of the crisis-stricken United Nations Industrial Development Organisation (UNIDO).

At the special Industrial Development Board (IDB), the governing body of the UNIDO, Carlos Alfredo Magarinos, received 33 votes as against 15 received by his main competitor, Polish Foreign Minister, Dariusz Rosati, the Vienna-based organisation said.

The IDB has 53 members and 48 of them, including India and Pakistan, were present at the voting.

Source: India Abroad News Service

EPB-JETRO seminar Ceramic industry has a bright prospect

The ceramic industry of Bangladesh has a bright prospect and can make a breakthrough in the global market, provided strict maintenance of quality, timely delivery and after-sales service are ensured, speakers at a seminar said here yesterday, reports BSS.

They said availability of basic ingredients for ceramic products like moist clay, other related substances and available labour force are the added competitive advantages for Bangladesh.

The day-long seminar on 'How to promote Bangladesh ceramic goods for Japanese market' jointly organised by Japan External Trade Organisation (JETRO) and Export Promotion Bureau (EPB) was held in the latter's board room.

EPB Vice-Chairman Faisal Ahmed Chowdhury addressed the inaugural function as the chief guest while JETRO representative in Dhaka Yuichi Bamba and the Association for Overseas Technical Scholarship (AOTS) of Japan representative in Dhaka Dr A K M Moazzem Hussain spoke on the occasion.

The Japanese expert on ceramic industry Akira Nishimura, who is also the managing director of Japan Pottery Manufacturers Federation conducted the day-long technical session, aided by Bamba and Dr Hussain.

About 50 participants from ceramic industries, Bangladesh Ceramic Society, EPB and Bangladesh Institute of Glass and Ceramic attended the seminar and took part in the deliberation.

Faisal Ahmed Chowdhury said by ensuring quality of goods suiting the test of the importing countries we could further raise our promising ceramic goods.

Chowdhury said Bangladesh exported ceramic goods worth 14.21 million US dollars during the last fiscal (1996-97).

S Asia escapes worst currency crisis

NEW DELHI, Sept 15: South Asian nations have escaped the worst of the currency crisis sweeping through neighbouring countries, but analysts warn there may be trouble ahead, reports AFP.

In India, Pakistan, Bangladesh, Sri Lanka and Nepal, thanks to strong foreign exchange reserves and central bank support, currencies have been largely insulated from the speculation attacks which have hit Southeast Asia.

The Indian rupee has depreciated 2.5 per cent to 36.49 against the dollar during the past two weeks, with the government saying the central bank would continue to intervene in the foreign currency market to curb volatility.

The Indian rupee's depreciation had a direct impact on the Nepalese currency, which is closely linked to the rupee.

The Nepalese rupee has been devalued 2.8 per cent during the past two months after a year of stability — the latest being on September 9, when the Nepalese currency lost 1.4 per cent to stand at 59.05 against the dollar.

In Sri Lanka, analysts said the economy has been largely insulated from the currency upheavals in Southeast Asia because the island's foreign exchange reserves were 'comfortable'.

Pakistan devalued its currency by 0.17 per cent to 40.46 rupees against the greenback in June, the fourth since April and currency dealers said the turmoil had little effect on the Pakistani rupee.

In Bangladesh, the taka has seen nine devaluations since the beginning of the year, the latest being on August 18, when it declined by 1.01 per cent to 44.45 against the dollar, mainly to help exports pick up.

But analysts warned there could be forced devaluations of the South Asian currencies in the coming months, with the export growth of these nations likely to falter.

Many projects abandoned in N-region

Govt spends huge money on exploring natural resources, but red-tape remains a barrier to extraction

NATORE, Sept 15: Many projects for exploration of mineral resources worth thousands of crore taka in the northern region of the country remained abandoned due to red-tapism and lack of initiative, reports UNB.

Many natural resources like gas, petroleum, coal, silica and china-clay were discovered in the region and the governments spent huge money in exploring the valued resources. But the works on the projects were abandoned on the way at the dismay of local people.

Natural gas and petroleum were discovered in Chalan Beel areas of Gurdaspur thana in Natore district immediate after the country's liberation.

Besides, a vast reserve of natural gas was found in 1977

in Shingra thana of the district. Accordingly, 77.62 acres of land was acquired in 1979 to 1980 for its exploration.

The infrastructure works like construction of houses for officers and employees, roads and administration buildings were built and a gas-well was sunk under the project. But later the exploration works were abandoned.

In Rajshahi, a survey during the 1970s showed that there are huge deposits of heavy metals like zircon, magnetite, granite and monazite in the river bed of Padma near Godagari thana.

The survey also found a high fluctuation of the 'geiger counter meter', plutonium and uranium in the same area. But steps were yet to be taken to tap the valued resources.

A huge deposit of mercury was also been found in Gobartali in Chapainawabganj district. In 1982, Tk 5.00 crore was sanctioned for preliminary exploration of the mercury. But later, the fund was withdrawn.

The Joypurhat Cement and Lime stone project remained abandoned for about 20 years although about Tk 100 crore had already been spent on the project. Most of the machineries brought for the project are still lying under the open sky.

The staff quarters, offices and other establishments remained uncared for after the closure of the project. It was abandoned on the plea that the extraction of lime-stone may not be commercially viable.

According to the foreign experts, the vast reserve of lime-

stone in Joypurhat and Bogra districts lies only 1700 feet below the surface and in terms of age component and fossil quality, the lime-stone can be compared only with that of Takerhat of Sylhet district.

The chemical analysis shows that the lime-stone is of high quality and specially suited for producing cement. A report says, about one lakh metric tons of clinkers may be produced annually from the Joypurhat project.

A high quality bituminous or gandsana coal was found in Jamalganj of Naogaon and Rajshahi districts. The coal is comparable to that of the coal of Raniganj in India. There are a total of seven layers of coal lying between 2,800 and 3,800 feet below the surface.

According to a survey report of Krupp Company, the exploration of the coal is commercially viable. The report says, the daily coal production from the Jamalganj mine may exceed 10,000 MTs and the coal may be extracted for the next 60 years.

Another preliminary survey, made in 1980, by Ahmed and Zaher company says the total deposits of the coal in Jamalganj is 70.30 crore MTs and the quantity may go up after extensive survey.

The calorific content of the coal is 12,100 BTU/lb. The chemical analysis shows that the coal is of high quality and its excavation is commercially viable.

A vast 30 feet thick of China-clay lies in the slight below the surface in Panitola of Naogaon

district. There are also millions of tons of pebbles in Tetulia, Patgram and Panchagarh.

In Lalmonirhat and Tetulia, there has been lying a vast deposit of silica sand which can be used for making glass and construction materials.

A vast deposit of pit-coal has also been found in Pirganj of Rangpur district.

Moreover, a vast tract of Barind land in Rajshahi, Chapainawabganj, Naogaon and western part of Natore districts is said to be the most ancient part of country. The areas are yet to be explored.

Experts said that the exploration of this vast region may lead to discovery of mineral resources brightening the prospects for rapid economic development of the country.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 15th Sept '97.

	Buying		
	TT	OD	OD
	Clear	Export	Transfer
		Bills	
US Dlr	44.4200	44.2545	44.1580
GB Pound	70.9156	70.6513	70.4972
D Mark	24.8400	24.7475	24.6935
F Franc	7.3879	7.3603	7.3443
C Dlr	31.7514	31.6331	31.5641
S Franc	30.1219	30.0097	29.9443
JY Yen	0.3640	0.3627	0.3619

	Selling	
	T.T & O.D.	B.C.
US Dollar	44.7105	44.7505
GB Pound	71.9622	72.0265
D Mark	25.6099	