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HYUNDAI
CARS THAT MAKE SENSE

Jakarta reduces import duties

JAKARTA, Sept 20: Indonesia has reduced import duties for 153 types of goods, mostly raw materials, to help stimulate exports, the official Antara news agency reported Friday, says AP.

Jute cultivation target in Narail not achieved

NARAIL, Sept 20: The target of jute cultivation in all the three thanas of the district could not be achieved this year as many farmers lost their interest in the cultivation of the crop, reports UNB.

According to Agriculture Extension Department, some 13,250 hectares of land were earmarked to bring under cultivation this year with a production target of 3,42,040 metric tons but only 6,917 hectares of land were cultivated.

Although the district is famous for jute cultivation, the farmers showed less interest this year due mainly to fall in prices in the last few years, local people said.

At present, the market price of the golden fibre is below the production cost and the jute growers are facing difficulties with their produce. They said they are forced to sell the jute at throw away prices due to shortage of buyers.

A quintal of jute is being sold in some markets between Tk 450 and Tk 550, according to quality, a grower said adding that production cost of a quintal of jute ranges from Tk 750 to Tk 900.

Fisheries Week '97 'Increase fish production'

State Minister for Fisheries and Livestock Satish Chandra Roy has called upon all including private institutions to implement the programmes taken by the government for the expansion of pisciculture and increase in fish production in the country, reports BSS.

He was inaugurating a seminar on development of fisheries resources organised by Bangladesh Small Fishermen Association and Dhaka City Traders' Central Fish Cooperatives Association on the occasion of the Fisheries Week '97, here Thursday.

The State Minister said the present government had taken massive development programmes in the fisheries sector for the alleviation of poverty.

He said by creating opportunity for self-employment through pisciculture unemployed youths can be benefited financially.

He said the government has given all necessary facilities including free training, technical assistance and interest free loan for farming fish in the country.

The function was presided over by the President of the Small Fishermen Association, Abdur Razzak Talukder, Director General of Fisheries, Mohammad Liaquat Ali and Chairman of Bangladesh Fisheries Development Corporation Mohammad Golam Mortuza, among others spoke at the seminar.

Thai economic crisis Monks chant to boost public morale

BANGKOK, Sept 20: Tens of thousands of Buddhist monks across the country chanted in unison Saturday, hoping to boost public morale in a time of economic crisis, reports AP.

The ceremony was led by the Supreme Patriarch, head of Thailand's Buddhist clergy, and 108 senior monks at probably the most sacred spot in the country, the Temple of the Emerald Buddha.

A revival of an ancient practice of mass chanting when the country faced enemies or great troubles, the ceremony was carried live and nationwide on all television stations.

After two decades of booming prosperity, Thailand is suffering from severe economic problems which have required a 17.2-billion dollars bailout by the International Monetary Fund.

Finance companies have collapsed, consumer prices are rising and many companies are laying off employees or cutting salaries and benefits.

The crisis has been blamed on massive government corruption, poor decisions by the country's economic managers and a generally overheated economy.

Some Thais have turned to astrology, superstitions as well as religious solace.

"We do not chant to dispel evil. The chanting is aimed at boosting Buddhists' morale and to remind them to exercise awareness in their activities," Phra Ratsinthimongkol, secretary of the Supreme Patriarch, was quoted in Bangkok newspapers as saying.

WB report says Bangladesh relatively stable

South Asia's annual economic growth may be 6 pc till 2006

HONG KONG, Sept 20: South Asia's economy is expected to grow by an annual average of 5.9 per cent until 2006, resulting in a strong rise in individual incomes, the World Bank said in a report Wednesday, reports AFP.

"This average gross domestic product growth rate compared with regional growth of 6.5 per cent in 1996 and an annual average 4.4 per cent in the period 1991-1995, said the report South Asian integration into the world economy.

However, World Bank chief economist for the region, John Williamson, said South Asia still had an 'awful lot' to do before it could catch up with its more vibrant neighbours in East Asia.

"South Asia still has the highest tariff levels in the world and probably still has the most quantitative restrictions despite some successes in opening up the region's economies," he said in a news conference ahead of meeting here of the

World Bank and International Monetary Fund.

The report said Bangladesh has been relatively stable since the June 1996 elections but the new government has enjoyed limited success in "slicing inflation and attracting foreign investors."

"It has yet to tackle trickier reforms, such as privatisation of loss-making enterprises," the reports said.

After registering seven per cent growth in 1996, India was likely to out perform other countries in the region, benefiting from a strong supply response in the economy, particularly from private investments, the report said.

While Pakistan faced a balance of payments crisis in 1996, the new government enjoyed strong support and was committed to continued reforms, it added.

Williamson told reporters Islamabad must reduce military spending, currently at 37 per cent of the government bud-

get, to boost its economic reform efforts.

He voiced hopes that increased international trade in the region, which hosts the bulk of the world's poorest people, would lead to a lessening of tensions and prompt countries to cut defense budgets.

The World Bank said South Asia's export growth would remain strong, though less than in the early 1990s, as a "devaluation of the real exchange rate of the magnitude seen in 1991-93 is unlikely."

Such a devaluation would have an adverse effect on inflationary pressures and "may even be undesirable with a projected fiscal deficit of roughly five per cent of GDP."

However, export growth would be among the highest in the world, helped by further liberalisation of trade regions and domestic deregulation, along with an expansion of market access for the region's textile exports and a slowdown in Chinese and East Asian exports

and GDP.

"Increased intra-regional trade may also play a part if the South Asia preferential trade agreement is implemented," it said.

The World Bank said that while prospects for the region were favourable, there are "many major challenges," particularly the reduction in the fiscal deficit.

"This task is complicated by minimum revenue collections, widespread tax evasion and high spending on defence," it said. "Fiscal imbalances will continue to run in tandem with large current account deficits."

Current account deficits are — and are expected to remain — large, particularly in Nepal, Pakistan and Bangladesh, while in India the deficit is projected to remain below two per cent.

South Asia must also learn from the currency crisis sweeping East Asia, by strengthening their financial systems early, the bank said.

Hilsa prices fall in Chandpur

From Shirin Akhter

CHANDPUR, Sept 20: Hilsa prices fell sharply in all markets of the district as catch of the fish from the rivers Meghna and Padma has increased.

According to Chandpur Hilsa Fish Association, the price of hilsa has come down from Tk 4000 to Tk 2000 per maund. A big size hilsa can now be purchased at Tk 80 which earlier sold for Tk 150 to Tk 200. A small size hilsa now sells for Tk 50 to Tk 70.

One of the important features of hilsa of this year is that the fishes are very big in size. A big size hilsa weighs three to four kgs.

About 1500 metric tons of hilsa fish are caught here daily. Hilsa is also brought here from the Bay of Bengal.

Half the amount of the fish goes to India and the rest to other parts of the country.

There are about 250 hilsa traders at Chandpur railway station yard. They bring hilsa from different places by cargo-boats.

About six hundred workers are people at hilsa fish market for buying, weighing and processing. There is no separate space for preservation and processing of fish. Fishermen demand a warehouse for preservation of hilsa at the railway station.

Officials said Bangladesh Railways carries about four hundred boxes of hilsa to Chittagong, Comilla, Dhaka, Sylhet and other places everyday. Each box contains about 250 kgs of hilsa. The Railways earns a big amount of revenue.

Commercially hilsa is the most important fish in the country. It contributes approximately 30 per cent to the total national fish production. About 40 per cent fishermen and two per cent of the total population of the country depend on hilsa fishing for their livelihood.

The average hilsa catch from inland and marine waters is estimated to be 180,000 to 200,000 metric tons per year, of which about 50 per cent comes from marine and the rest from riverine waters.

Canada's bid to free trade fully in Asia, Pacific

OTTAWA, Sept 20: Canada's trade minister Thursday raised the possibility of a sector-by-sector trade deal among APEC countries as a stepping stone for full free trade in the Asia-Pacific region in the next century, says AP.

Sergio Marchi's comments came as the 18 countries forming the Asia Pacific Economic Co-operation group began two days of ministerial meetings in Ottawa on how to liberalize trade for small and medium-sized businesses.

APEC trade ministers agreed in Montreal in May to work to eventually liberalise trade in 16 sectors, ranging from financial services to environmental technologies, on a voluntary basis.

The APEC ministers also agreed to strike an agreement liberalizing financial services by the end of the year.

Global capital accounts liberalisation

G-24 seeks more prudent approach

HONG KONG, Sept 20: Developing countries want multilateral agencies to disburse aid more quickly and to take a more prudent approach in their support of global capital account liberalisation.

A draft communique under discussion at a Group of 24 meeting today highlighted the group's concerns about the slow speed of aid disbursement and its worry about a too-aggressive freeing of capital accounts.

The draft communique was obtained by Reuters and the final document was expected to be issued later today.

The recent currency turmoil in East Asia has underscored G-24 concerns about capital account liberalisation, and the group urged in the draft communique that world policy-makers consider the interplay of domestic policy factors and external speculative pressures in creating the crisis.

Capital account liberalisation refers to plans for a free flow of investment funds across borders.

Cecilia Lopez, a senior Colombian government official participating in the talks, told Reuters the G-24 was discussing ways to protect countries from volatile capital flows, with much of the focus on Asia's plight.

In the draft, the G-24 offered its support for capital account liberalisation generally, but argued for a flexible approach taking into account members' policy, institutional and financial system conditions.

The International Monetary fund is considering amending its articles to give it jurisdiction over capital account liberalisation. At present, the IMF only offers guidance on the freeing of current accounts.

The G-24, which comprises developing countries from Africa, Asia and Latin America, was meeting on the fringes of the annual meetings of the World Bank and IMF.

The communique showed that the G-24 also would stress that capital account liberalisa-

tion should not be made a condition for use of IMF resources.

The G-24 would also call on the World Bank and IMF to speed up implementation of aid programmes, with particular reference to the initiative for Heavily Indebted Poor Countries (HIPC).

The HIPC initiative aims to reward countries with a strong record of market reform by offering soft debt relief terms, but critics have charged that the strings of eligibility criteria slow down aid to deserving countries.

"To allow beneficiary countries to reach debt sustainability rapidly and avoid additional costs associated with delays in debt relief, the period between the decision and completion points should be shortened and interim assistance should be provided," the G-24 draft communique said.

The draft communique also expressed concern over the shrinking pool of development assistance.

Third World owes \$113b to Russia

MOSCOW, Sept 20: Developing nations owe Russia a total of 112.7 billion dollars, Deputy Finance Minister Mikhail Kassimov said yesterday, reports AFP.

Quoted by the Interfax News Agency, Kassimov said nearly all of the debts had been authorised by the former Soviet Union prior to 1992.

Of the 51 countries that owe money to Moscow, only India pays in full, while Vietnam, Algeria, Indonesia and Mongolia pay up to 500,000 dollars a year, he said.

The biggest debtor is Cuba, which owes 30 million dollars, followed by Mongolia, India and Vietnam with 20 million dollars each.

Russia was admitted this week to the Paris club of creditor nations.

Cuba looks for business in Bangladesh

By Toufique Imrose Khalidi

Cuba wants to revive trade links and promote joint ventures with Bangladesh as part of the communist nation's new thrust on boosting economic relations with different countries.

"We have excellent political relations with Bangladesh, and now we want to give economic contents to it," says Cuba's New Delhi-based ambassador to Bangladesh, listing possible areas of cooperation.

The two countries once enjoyed fairly good trade ties, dating back to the early 70s, when Bangladesh bartered jute with Cuba's sugar.

"We should talk to each other again on how we can activate it," says Ambassador Olga Chamero Trias, in an exclusive interview to The Daily Star Friday.

She believes her country's "very strong" pharmaceuticals industry should top the list of possible joint ventures. Cuba's large fleet of feeder vessels could also be a major source of business, she says.

The ambassador admits Bangladesh has lost its appeal to Cuba. "But we can try to identify new areas of cooperation."

Still on a difficult road to recovery from the aftermath of the collapse of communism, the Caribbean country is looking for new allies to gear up its external trade, once heavily dominated by the former Soviet Union and Eastern Europe.

The former allies accounted for roughly 80 per cent of Cuba's trade with the outside world.

Ambassador Trias does not feel that the US sanctions will be a barrier. "I don't think it will directly affect," she says.

She cites Mexico and Canada, the two major trading partners now, which are defying the 1996 Helms-Burton Act provisions, barring US companies from business with Cuba.

Most EU countries such as the UK, France, Spain, the Netherlands, Latin American nations like Brazil and Argentina, and the Caribbean neighbours are also doing business with Cuba, according to the



Olga Chamero Trias ambassador.

The country has opened up for foreign investment, accompanied by major political and economic reforms, leading to setting up of some 300 joint ventures, she said.

Promotion of trade and investment is high on Havana's agenda now after decades of isolation from the non-communist world, because of a US-led blockade against Cuba since 1961.

A 1992 US legislation, known as Cuban Democracy Act, tightened the restrictions against the Cuba, an archipelago in the Caribbean sea, with the US only 144 kilometres to the north and Mexico some 210 kilometres to the west.

Called "the key of the Caribbean", Cuba hopes to become a tourist heaven, a business that it claims is currently booming.

Trias was in Dhaka for four days until Friday on an annual visit, during which she held talks with top government functionaries, leaders of political parties and businessmen.

She met Awami League general secretary Zillur Rahman, BNP secretary general Abdul Mannan Bhuiya, and leaders of Left parties, with which Cuba has maintained "traditionally good" relations.

She was happy about her meeting with state minister for foreign affairs Abul Hasan Chowdhury, shipping minister A S M Abdur Rob, and the foreign secretary.

Cubans boast their standard of living, rated very high by the UN agencies, is an indicator of their progress in healthcare, education and such other fields.

LGMEA expresses concern over export parcel manipulation

The Leather Goods Manufacturers and Exporters Association expressed concern over an alleged export parcel manipulation, reports UNB.

LGMEA leaders in a press release yesterday said Koninor Leather Products Ltd recently booked a parcel of leather goods samples weighing 5,200 gram to its German buyer through EMS services at Dhaka GPO.

They alleged that the German buyer, ILEX, received the parcel slimmed to only 2,800 gm.

The buyers harboured a bad impression about Bangladesh and threatened to cancel the prospective order, said the association release.

On Thursday, the leather industry owners apprised the Post and Telecommunications Minister and postal authorities about the matter, saying such incidents occur frequently.

The LGMEA demanded proper investigation and exemplary punishment to those involved in the malpractice.

China accused of barring Taiwanese officials from HK

TAIPEI, Sept 20: Two top government officials accused China on Saturday of blocking them from visiting Hong Kong to attend a banquet that coincides with next week's World Bank and International Monetary Fund meetings, reports AP.

Central Bank Governor Sheu-Yuan-dong and Finance Minister Paul Chiu said they had to give up plans to attend the banquet hosted by the Taipei-based China Trust Commercial Bank because they were unable to obtain Hong Kong visas.

Taiwan, which China considers a breakaway province, is not a World Bank or IMF member. But in the past Taiwanese bankers and officials have used similar banquets as a channel to meet with international financial leaders.

Chiu accused China, which regained sovereignty over Hong Kong in July, of stopping the Hong Kong government from issuing them visas.

The move does not benefit Hong Kong's status as an international financial centre and cast into doubt Beijing's promise of keeping the city's capitalist system unchanged for 50 years, he added.

The three-day World Bank and IMF meetings begin next Tuesday.

Who will be MD of Suzuki Motor?

NEW DELHI, Sept 20: Officials of the Indian government and Suzuki Motor Co. were preparing Saturday to find a solution to a fight over who will be the next managing director of the fast-growing car company they join, says AP.

Suzuki challenged in court the government choice of a new managing director, saying he is unfit for the post. A judge will rule Monday, just hours before an annual general meeting where the appointment is to be confirmed.

Newspapers have blamed "ego problems" for the dispute.

Suzuki and the Indian government have equal stakes in Maruti Udyog Ltd, which revolutionized car production in India in 1982 by bringing modern technology and quickly capturing 82 per cent of the car market.

But last month's appointment of R S S L N Bhaskarudu as managing director upset relations. Suzuki said he's unqualified to lead a major car company; the government said he has worked with the company for many years in top positions.

The company's first chairman, V Krishnamurthy, told Business Standard newspaper that the Japanese company's chief O. Suzuki, apparently had been given wrong advice.

"Suzuki was earlier not so aggressive... some people may be giving him advice which may harm his interests in India," it quoted him as saying.

Industry Minister Murali Manan, under whose portfolio the company falls, was reported Friday saying that if Suzuki wants to fight the government on its choice of managing director, it can sell its stake because car companies from the United States, Germany and South Korea are interested in stepping in.

The Business Standard newspaper quoted unnamed industry sources as saying the Indian government is thinking of roping in German automobile giant Volkswagen AG as a partner of if Suzuki pulls out. Volkswagen has been trying to set up a wholly-owned subsidiary in India after it failed to tie up with Indian manufacturer Elchar Motors. Independent confirmation of the report was not immediately possible.

Suzuki says the government should have consulted the company before appointing Bhaskarudu; the government denied that.

Under the joint venture agreement, the two companies take turns choosing the chairman and managing director of Maruti Udyog for five-year terms each.



An extraordinary general meeting of Central Insurance Company Ltd was held at a city hotel on Tuesday. The meeting was presided over by AKM Azizur Rahman, Chairman of the Board of Directors of the company. Some special resolutions in connection with amendment to the Articles of Association of the Company in the light of Insurance Act 1938 and Companies Act 1994, were unanimously adopted at the EGM.

Bangladesh seeks increased Japanese investment

Star Business Report

Bangladesh has called upon the Japanese investors to take advantage of the opportunity for investment existing in the country.

The call was made by the Bangladesh Ambassador to Japan, Rashed Ahmed, at a seminar on investment climate in South-West Asia and Vietnam held in the Japanese capital on Thursday.

Organised by Japan External Trade Organisation (JETRO), the seminar was participated by Bangladesh, India, Pakistan, Sri Lanka, and Vietnam, says a press release.

Outlining various policy measures and initiatives taken by the government which have created a congenial atmosphere for investors, the envoy said, "Bangladesh would be the first country in the region to make an economic break-through."

He said "the economic progress of Bangladesh which has been lauded by the international institutions not only for its macro-economic stability, growth rate of 5.7 per cent which is expected to achieve 7

per cent but also for achievements in social sectors including primary education, health-care and participation of women in development which are significantly higher than any of its neighbours."

Bangladesh is poised for achieving a stable, egalitarian and equitable society which would contribute to internal peace and tranquillity, he added.

He gave a sectoral breakdown of the areas of investment including textiles, energy, natural gas, telecommunication, seafood, agro-based industries, electronics, computer software development and data entry, leather and leather goods, light industries and tourism.

Ahmed spoke of the recent opening of infrastructural investment facilities centre (IIFC) and infrastructure development company (IDC) in the private sector which have opened up new prospects for investors.

He also referred to the favourable impression of the 21-member high-powered Japanese delegation from Sin-

gapore led by Japan Chamber of Commerce and Industry (JCCI) President Toru Ishihara and made a fervent appeal to Japanese investors to tie up with Bangladesh's private sectors and investors.

Bundesbank chief against sharp fall in mark

HONG KONG, Sept 20: Bundesbank President Hans Tietmeyer said here Saturday he is against a too sharp fall in the mark, reports AFP.

"Of course Germany was not interested in an exaggerated move in the other direction," he said, referring to a sharp fall in the mark against the dollar.

"I think the markets have understood the message," Tietmeyer told journalists.

The central bank chief said a statement issued after Group of Seven finance ministers met in Berlin in February aimed at halting the rise of the dollar still held good.



The Director General of Bangladesh Standards and Testing Institution, Professor Dr Colam Mowlah, distributed certificates among the participants of a two-day training workshop on ISO 9000: How to design, build and operate management systems organised by Business Advisory Services Centre in the city on Thursday.

Forecasts of El Nino storms lift prices of wheat, coffee

CHICAGO, Sept 20: Demand is rising for wheat, coffee and even roper repairs as forecasts for this year's resurgence of El Nino bring more dire predictions of storms and starvation, drought and death, reports AP.

The weather phenomenon that turns up in the tropical Pacific every three to five years around the world, named after the "Christ child" 200 years ago by Peruvians who noticed the ocean warming around

Christmas time, is expected to be the most intense in 150 years.

In Papua New Guinea, one million people face starvation from the worst drought in 50 years, emergency services officials estimate.

Drought also has affected parts of North Korea, China and Australia. In New Zealand, crop and livestock losses have exceeded \$130 million, government farming adviser Chris Ward said. And flooding and unusually warm temperatures

have affected parts of Europe.

"It might as well be called 'El Diablo' for the toll it takes on the world," said Don Roosen, president of US Commodities Inc., who has been following the weather trend for its effects on world crop production.

"I've travelled to Hawaii and Japan recently, and let me tell you, the world is very nervous about it," Roosen said. "With all the modern technology we have, nobody knows how it's going to play out, and it's getting to be come all people can talk about."

Climatologists warn the current El Nino could be the worst in 150 years, as the mass of warm water in the Pacific Ocean grows to one and half times the size of the continental United States.

That's much stronger than the 1982-83 El Nino, which left an estimated 2,000 dead and \$13 billion in damages around the world, according to the World Meteorological Organization, the UN weather agency.

The phenomenon, which isn't likely to reach its peak intensity until late November, has killed fish, other marine mammals and livestock, and probably reduced world crop production.

Futures prices for such foods as corn, soybeans, wheat, which normally are on the retreat as harvesting gets under way, have remained relatively steady as investors await a clearer picture of world demand needs. But prices are poised to rocket higher, particularly in corn and

soybeans, since American inventories were nearly depleted last year because of strong world demand.

Coffee futures prices also have remained relatively strong, despite rising world inventories.

"This is already an extreme event, comparable to the strongest of the century," said Gerry Bell, meteorologist with Climate Prediction Center of the US National Weather Service.