

**Govt to build up buffer stock of jute**

The government has decided to build up a buffer stock of jute, if necessary, to ensure fair price to the marginal farmers, reports AP.

The decision was taken at a high-level meeting at the Bangladesh Secretariat yesterday. State Minister for Jute and Textile AK Faezul Huq chaired the meeting.

Bangladesh Jute Mills Corporation (BJMC) has fixed a target of procuring 18 lakh bales of jute for the current season. If necessary, a buffer stock of 10 lakh bales will be built up in addition to the target, a PID handset said.

The government has already made arrangements to procure jute from farmers through 192 purchasing centres across the country.

The meeting discussed the issues of jute production, latest price situation, quantity of jute purchased by BJMC, and the fund for purchasing jute released from various banks.

BJMC Chairman Lt Col (ret'd) Abu Osman Chowdhury was present at the meeting.

**Accord with New England to set up power plant**

The energy ministry here yesterday signed an implementation agreement with New England Power Company Consortium for setting up a Barge Mounted Power Plant (BMPP) in the private sector at Haripur near Dhaka, reports UNB.

The agreement was signed by joint secretary of the ministry Mirza Tasadduq Hussain Beg on behalf of the government and president of New England Power Company Bhupendra Verma, president of Waridilla NSD Thomas M. Carbone and Fortune Ltd. Managing Director Mohd. Noor Ali on behalf of the Consortium.

An amount of about Tk 450 crore will be invested for the construction of this BMPP.

Earlier this month, agreements were signed for the two BMPPs involving an estimated investment of Tk 900 crore. Each BMPP, with capacity of about 100MW power generation, will be commissioned within 10 months of signing of the agreement.

The signing ceremony was attended, among others, by Chairman of Power Development Board Nur Uddin Mahmud Kamal, General Manager and Design Engineer of Waridilla NSD SJ Saxena and Matti Nuuttila and AK Feroze Ahmed of Fortune Ltd.

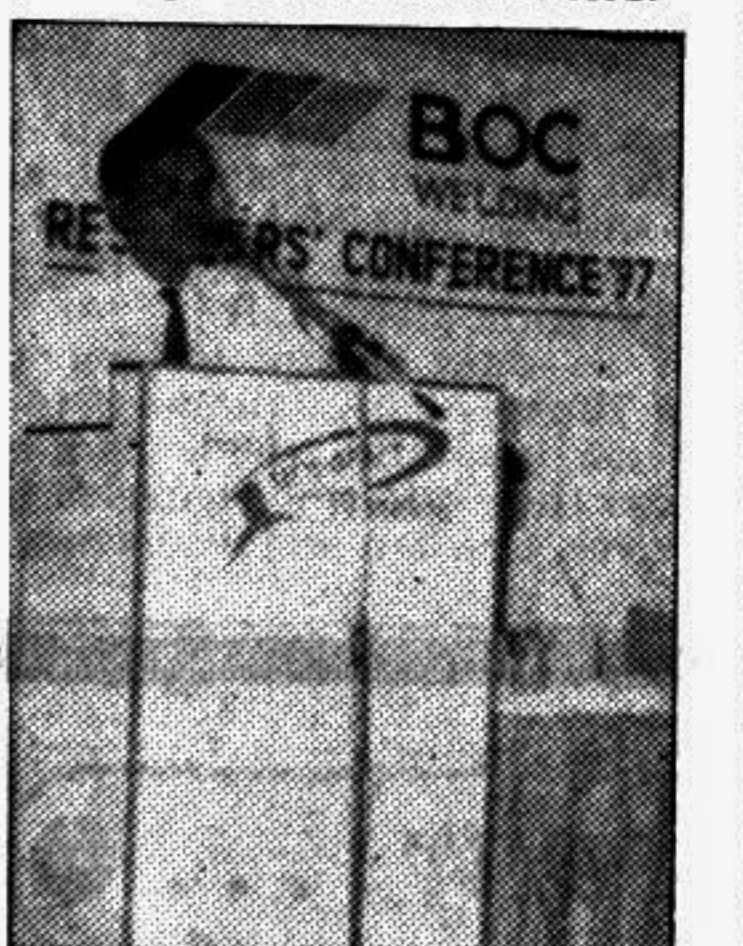
**Resellers' Confce of BOC held**

A conference of resellers of BOC Bangladesh Limited was held at a local hotel recently, says a press release.

The conference was inaugurated by Wali Bhuiyan, Director (Welding) of the company.

Matters relating to marketing and sales of welding products of the company were discussed at the conference.

The conference was attended by a large number of resellers.



Wali Bhuiyan, Director (Welding) of BOC Bangladesh Limited, addressing the Resellers' Conference '97 of the company.

**Southeast Asian currencies rebound**

SINGAPORE, Sept 24: Southeast Asian currencies rebounded as regional markets took a breather and Malaysia moved to end a row between Prime Minister Mohammad and his minister, US billionaire George Soros, reports AFP.

The Malaysian ringgit closed at 3,060, up from 3,100 at the end of Asian trading on Monday and an overnight dip to 3,130 in New York. The Malaysian stock market also recovered on a technical rebound, closing 2.7 per cent higher.

"Today was a very well-behaved day," said Al Son Seng, an economist with US research house Standard and Poor's MMS in Singapore adding that there was profit-taking across the region on the dollar after its surge the day before.

Earlier, Mahathir had accused Soros of leading speculative attacks on the ringgit, which has lost some 22 per cent of its value against the US dollar since July.

**Developing countries' call to take national differences into account  
Dhaka, others voice concern over drop in ODA**

HONG KONG, Sept 24: Developing countries took the podium Wednesday to urge caution on the International Monetary Fund and World Bank in their new crusades to fight corruption and free up the global flow of capital, reports AP.

Speaking on the second day of the sister institutions' annual meeting, officials from Iran, Pakistan, the Bahamas and other countries said national differences must be respected and weaker economies must be protected from sudden large movements of foreign funds in currency and stock markets.

Bangladesh, Egypt and India were among countries worried by the recent drop in official aid from richer countries. The World Bank estimated official aid of all kinds at \$40.8 billion in 1996, down from \$45.6 billion in 1991.

The World Bank which funds development, and the IMF, which oversees global debts and currencies, have used this year's meeting to highlight ambitious new agendas that include promoting honesty, openness and social justice among member nations.

Both have insisted the new policy makes sound economic sense. World Bank president James Wolfensohn told the gathering Tuesday that corruption undermines development and wastes aid, and finance ministers from rich countries generally agreed.

IMF Managing Director Michel Camdessus argued that freeing capital markets offers the best hope of prosperity.

The world's poorer countries, which dominated the stage Wednesday, agreed in principle with the new goals. But they voiced extensive concerns about implementation.

Iranian Finance Minister Hossein Namazi asked if the two institutions would discourage rich countries from letting their businessmen take tax deductions on bribes they pay in the Third World.

"The briber and the bribee deserve hell," Namazi said adding, "Despite all the constructive intentions that might have been behind the idea of requiring good governance there is a major concern regarding its abuse — that it may serve as a tool to impinge on national sovereignty."

Sartaj Aziz, Pakistan's fi-

nance minister, warned that nations should be treated equally and that the fund and bank should not venture into politics.

As for lifting national barriers on the movement of capital, he urged the fund to "eschew deadlines or conditions" and let member governments decide the best pace and approach to take.

Aziz said Southeast Asia had recently "become hostage to the volatile judgments and aggressive activities of foreign portfolio managers. ... To argue that there is little or nothing that can be done about them is to accept too quickly the rhetoric of free marketers" seeking personal profit.

None of the speakers, however, took the extreme position of Malaysian Prime Minister Mahathir Mohamad, who proposed Saturday that currency trading for profit should be banned. Malaysia is among the formerly booming southeast Asian nations that were badly hurt when foreign investors pulled out of their currencies and stock markets over the summer.

The IMF has argued that the investors were responding to

fundamental weakness in the economies, including overly high government spending on big projects, risky bank practices and a dip in exports. The IMF organized a \$17.2 billion bailout of Thailand, but is demanding austerity measures and reforms in the Thai banking system.

William C. Allen, minister of finance for the Bahamas, said the lesson of the Southeast Asian crisis should be that developing countries need more technical assistance from the fund in building sound financial systems.

He said Caribbean nations are willing to support the fund's open-market drive if it allows countries "to take measures to protect themselves."

Ethiopian Finance Minister Sufian Ahmed summed up another major concern when he voiced deep regret over the steady fall in official development aid from the industrialized world.

"This decline makes it difficult for our countries to successfully complete the ambitious reform programmes being implemented in priority areas of our economies," he said.

**EPZ in Ctg thrives**  
New units, new jobs, thanks to no-nonsense business

From Nurul Alam

CHITTAGONG, Sept 24: With low wages and no unionism, the export processing zone here is on the move, creating a lot more opportunities for new units and employment.

Officials say the workforce in CEPZ may rise to 80,000 in the next four to five years, while the number of factories is expected to reach 150.

The CEPZ created 7,000 new jobs in 1996-97, taking the number to 41,000, according to the officials. Some 66 per cent of them are female.

The Zone currently houses 76 factories, while seven more are expected to go into production by December this year, they said.

"The main attraction for the foreign investors is cheap labour and other facilities," says an official.

An apprentice worker gets US\$ 22 a month, unskilled worker paid 38 US dollars, semi skilled US\$ 45, and skilled US\$ 63, according to official reports.

Trade union activities are completely banned in an area only minutes away from places in this port city where workers are notorious to the extent of holding the whole nation to hostage. One glaring instance is the country's main sea port.

Adding to it all are such incentives as a ten-year tax hol-

day and duty-free import and export facilities.

The Chittagong processing zone, in Patenga over 400 acres of land overlooking the Bay of Bengal, became operational in 1983.

So far, 343 plots have been developed, of which 55 per cent have already been allotted for factories, the officials say.

CEPZ has brought investors from the US, the UK, Hong Kong, Japan, South Korea, Pakistan, Malaysia, Thailand, Sweden, Sri Lanka, China, Taiwan, Singapore, France and India.

Exports produced here include electronic goods, garments, textiles, toys, computer discs, leather products, cap, bicycle and paddings.

**Petron Corp raises product prices**

MANILA, Sept 24: The Philippines' largest oil refiner, Petron Corp yesterday raised the price of three of its products by an average of eight per cent, the company said, reports AFP.

Retail prices of bunker fuel rose 12.4 per cent per liter, jet fuel increased 6.1 per cent and liquefied petroleum gas was 5.7 per cent more expensive.

**Iran ready to assist in setting up oil refinery**

A proposed oil refinery in Chittagong will be set up soon after study by experts from Iran and Bangladesh, the new Iranian Ambassador said here, reports UNB.

Iran and Bangladesh signed an MOU in Dhaka during former Iranian President Rafsanjani's visit to set up the refinery.

Talking to newsmen at his embassy Tuesday afternoon, Mohammed Sadeq Fayyaz said work on the refinery plant would start on completion of the study by experts from the two countries.

Asked about the reported US reservation against the setting-up of the refinery, the envoy expressed his ignorance about the report. He said Iran, having expertise in oil and petroleum products, was ready to assist Bangladesh and hoped that the project would start.

Mohammed Fayyaz said Iran Air is expected to begin Dhaka-Tehran direct flight once a week from November 1. The direct air facilities would help boost trade and economic cooperation between the two countries, he observed.

In reply to a question about the preparation of ensuing OIC summit in Tehran, he said the Iranian government had taken all preparation for hosting the summit. Invitations have already been sent to heads of government of OIC member countries, including the Saudi King and the Iraqi President.

**Dhaka to receive wheat grant from Paris**

Bangladesh will receive 22,000 metric tons of wheat worth about Tk 19 crore as grant from France under the Food Aid Agreement signed here yesterday between the governments of Bangladesh and France, reports UNB.

Abu Saleh, Joint Secretary, Economic Relations Division and Madam Renée Vayret, French Ambassador to Bangladesh, signed the agreement on behalf of their respective governments, says a press release.

**Islami Bank's 44 branches to remain open on Saturdays**

Star Business Report  
Islami Bank Bangladesh Limited has decided to keep open its branches 44 on Saturdays with effect from September 27.

The branches which will remain open from 9 am to 12 noon are: Local Office, Chawmugutoli, Foreign Exchange, Nawabpur, Islampur, New Market, Mirpur, Farmgate, Mou-chak, Ramna, Gulshan, Bangladesh, Mohakhali, Sadarghat and Narayanganj branches in Dhaka; Agrabad, Khatunganj, Anderkilla, Jubilee Road and Station Road branches in Chittagong and Cox's Bazar, Khulna, Rajshahi, Bogra, Sylhet, Barisal, Comilla, Faridpur, Narsingdi, Kishoreganj, Mymensingh, Jamalpur, Madhabdi, Pabna, Saidpur, Sirajganj, Chapai Nawabganj, Rangpur, Dinajpur, Feni, Chomuhani, Chandpur, Jessore and Kushtia branch.

**Exchange Rates**

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 24 Sept '97.

Buying			
TT	Clean	OD Sight	OD Export
Selling			
US Dollar	44.4200	44.2545	44.1580
GB Pound	71.3796	71.1137	70.9586
D Mark	24.6985	24.6064	24.5528
F Franc	7.3556	7.3282	7.3123
C Dollar	31.7856	31.6672	31.5981
S Franc	30.1076	29.9954	29.9300
JP Yen	0.3655	0.3642	0.3634

A) TT (DOC) US Dollar Spot Buying Tk. 44.3372

B) Usance Rate

30 Days 44.3833 43.2201 42.8530 42.1108

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

Indicative Rate

Currency	Selling	Buying
Saudi Riyal	11.9212	11.7736
UAE Dir	12.1734	12.0223
KUW Dir	146.6880	144.8278
D Guider	22.1978	21.9179
S Krona	5.8840	5.8075
Mahy Ringgit	14.7316	14.5257
Sing Dollar	29.5607	29.1761

**Kibria tells WB-IMF meet****Help ensure structural reforms**

Finance Minister Shah AMS Kibria has said the developed countries and the World Bank-IMF need to remain sensitive to reform issues to ensure the progress of structural reforms which are difficult to implement, reports UNB.

"Reforms are easy to talk about, but difficult to implement. For a complex and difficult reform programme to succeed, it is vital that a national consensus on the basic issues is developed to support it," he said.

The minister was addressing the joint session of annual meetings of the Boards of Governors of World Bank group and International Monetary Fund (IMF) in Hong Kong this (Wednesday) morning, according to a message received here.

The process of consensus-building and negotiation is necessarily a time-consuming process in a democratic system in which "the government has no wish to ride rough shod over the will of the people," he said.

"Reforms are associated with gains and losses," he said adding, it may require compensation to those adversely affected by the adjustment process except those losing rent-seeking scopes based on distorted structures of trade and production.

The Finance Minister said World Bank and IMF should play a more significant role in developing an effective international framework to deal with the problems stemming from volatile private international capital flows.

Referring to the recent dramatic private capital flows to

developing countries, he said that in 1996, the flows exceeded 265 billion US dollars present-ing new opportunities to the countries to adapt to the coming century.

Maintaining stable macroeconomic conditions and a prudent stance of financial policies will be essential to attract significant levels of external private capital. This is particularly for foreign direct investment, he said.

He informed the WB-IMF that the government has taken initiatives for creating conditions for more efficient and transparent governance, promoting domestic and foreign investment and private economic activities in the country.

The Finance Minister outlined various reforms measures adopted by the government under its economic strategy based on promoting export-oriented and private-sector led growth.

These include opening up the infrastructure sector to private foreign investment, revamping the bankruptcy laws, reforms in banking and capital market sectors and accelerating privatisation of state enterprises.

Kibria also mentioned the reforms in legal system, setting up of administrative reforms commission, legislations for effective local government institutions and strengthening of parliamentary institutions.

He said the 15-month-old government has taken bold steps to improve economic performance and gear its financial policy to maintain macroeconomic stability and deal with structural weaknesses hampering attainment of faster growth.

The budget deficit and external current account deficits as a percentage of GDP have narrowed. GDP growth has risen to 5.7 per cent while inflation remains moderate at an annual rate of less than 5 per cent, Kibria told the meeting.

Expressing concern at the overall trend in flows of Official Development Assistance (ODA), he said despite the increased requirements of the economies in transition, the total pool of ODA resources has not expanded in real terms.

For many countries, the availability of ODA will remain a major determinant of their ability to undertake vital long-term public investments in social and economic infrastructure and in human capital, he observed.

Referring to globalisation and liberalisation, the two defining characteristics of current economic transformation, he said successful liberalisation of economies prepares them to stand up to the rigors of global competition.

As a result of these two factors, the country's domestic industries have been subjected to intense competitive pressures, as anticipated, but the accompanying structural shift towards export sectors have been slower than expected, Kibria said.

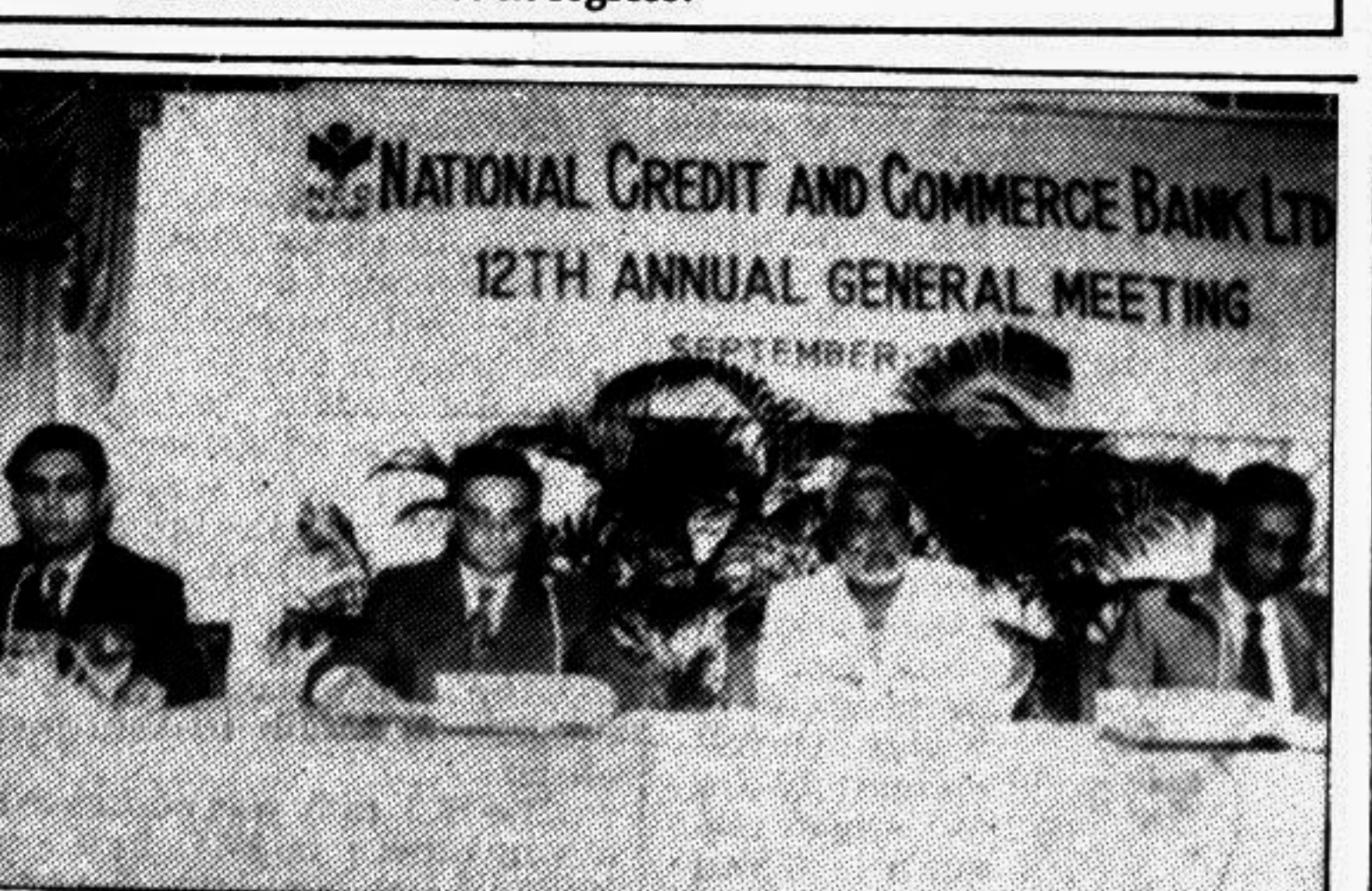
He said major international agencies must maintain an even-handed approach and work towards the elimination of all barriers to trade. Otherwise, some developing countries will not find desired results from liberalisation.

**UNCTAD LDC REPORT 1997**

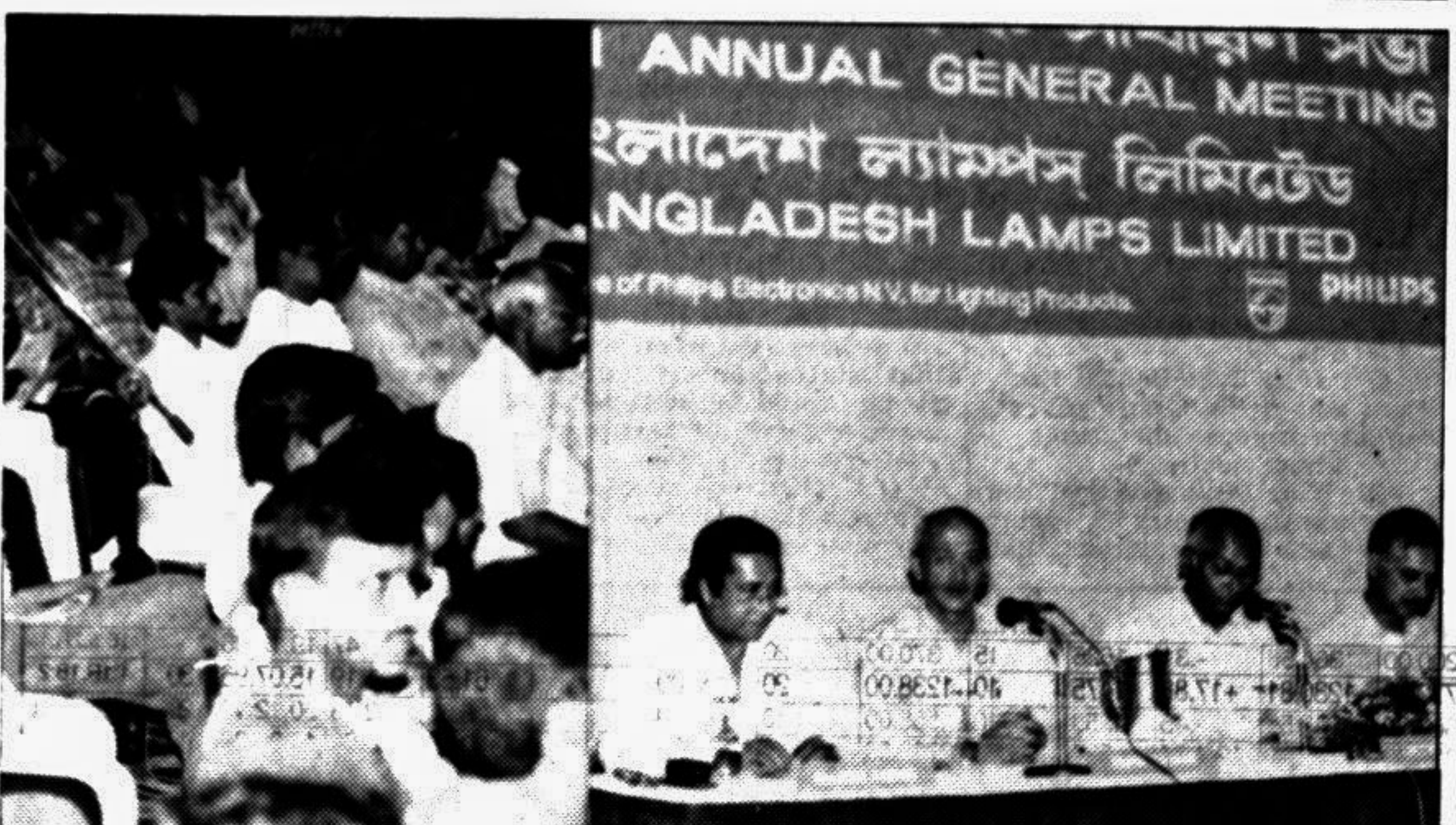
Agriculture has been at the core of the 1997 UNCTAD report on the Least Developed Countries, while two other major issues are institutional and economic reforms, and 'problems of state collapse and state failure' in LDCs. The reforms, the report says, are generating strong growth in many LDCs, but widespread problems of economic and social regress, internal conflicts will need greater international attention.

The key questions that the 1997 Report raises ahead of a crucial meeting in Geneva next month:

- \* Why are a growing number of least developed countries (LDCs) experiencing a marked improvement in their development performance?
- \* Why, twenty years after the Green Revolution, have only a few LDCs improved their agricultural productivity?
- \* Why, at a time of record resource flows to developing countries is the least developed countries' share of external finance falling?
- \* Why, at a time of unparalleled prosperity, are the populations of nearly half the LDCs getting less to eat than ten years ago?
- \* What can the international community do to help those LDCs that have experienced serious civil strife for over a decade and whose economies are in regress?



M A Awal, Chairman of National Credit and Commerce Bank Limited, addressing the 12th annual general meeting of the bank at a local hotel on Tuesday.



Latifur Rahman, Chairman and Managing Director of Bangladesh Lamps, speaking at the annual general meeting of the company at a city hotel on Monday.

**Bangladesh Lamps declares 1:1 bonus share, 15 pc cash dividend**

Star Business Report

Bangladesh Lamps Limited, official licensee of Philips Electronics NV Holland for lighting products and manufacturer of Philips electronics bulbs, declared 100 per cent bonus share and a cash dividend of Taka 15 per share at its 36th annual general meeting held at Pan Pacific Sonargaon Hotel in the city on Monday.

Latifur Rahman, Chairman and Managing Director of the company, presided over the meeting which was attended by a large number of shareholders, says a press release.

The meeting approved annual report and accounts of the company for the year ended December 31, 1996.

During the year, the company made a per-tax profit of Taka 5.78 crore as against Taka 5.54 crores in 1995.

The Board of Directors of the Company is comprised of Latifur Rahman, Salfur Rahman, Atiqur Rahman, Shamsur Rahman, Shahmas Rahman and Obaidur Rahman Khan.

Transcom companies which include Bangladesh Lamps Limited, contributed a total of Tk .59 crore to the national exchequer in 1996.

**Tea market booms again in Ctg**

CHITTAGONG, Sept 24: The weekly tea sale held here Tuesday once again met with a stronger demand with prices moving up further as well as foreign buyers active, reports UNB.

Market sources said sale of this week was at dearer levels with Pakistan and Afghanistan buyers operated strongly. Polish buyers absorbed all large and bold brokers at around last levels. Internal buyers were also quite active but were mostly outpriced the export buyers.

CTC Brokers: Large and bold brokers were a good market at around last levels. Medium and smaller brokers were a much dearer market and prices appreciated by Tk three to Tk five following competition.

CTC Fannings: Fannings continued to be a strong market with prices generally advancing further by Tk three to Tk four and sometimes more specially following quality.

Green Tea: 120 chests on offer continue to meet with a good demand at dearer rates. FYH sold at Tk 132, VH between Tk 129 and Tk 130 and HYSON at Tk 120.

CTC Dust: 1,044 chests and 1,239 gunny sacks on offer continued to meet with a good de-

mand of higher rates. RD's, PD's and Dust's were dearer by Tk two to Tk three, particularly the better liquoring types. CD's again met with a stronger market and were generally dearer by Tk three to Tk four. Internal market including blenders lent good support.

There were total 16,038 chests, 3,890 gunny sacks were offered for auction. The next sale will be held a September 30 (Tuesday).

**New president of Air France**

PARIS, Sept 24: Former airline executive Jean-Cyril Spinetta was officially named president of France's national carrier Tuesday, after his appointment was approved by a special company board meeting, reports AP.

The French government said last week it had selected Spinetta, former chairman of the domestic airline Air Inter, to replace Christian Blanc at the helm of Air France.

Spinetta headed the state-run Air Inter — now called Air France Europe between 1990 and 1993.

**Bank move helps Filipino bourse****Asian markets close mixed**

HONG KONG, Sept 24: The Philippine central bank's latest move sent prices higher on the nation's stock market Wednesday, while the Thai market gained on optimism about a proposed new constitution, reports AP.

But in Malaysia, another of the Southeast Asian nations troubled by recent currency turmoil, share prices fell broadly as individual investors took profits on Tuesday's market advance and foreign funds continued to sell down their already slim holdings of Malaysian stocks. The Composite Index dipped 1.8 points to 779.41.

In Manila, investors picked up oversold issues, heartened by a central bank announcement Tuesday that it will lower banks' liquidity reserve requirement by two percentage points to four per cent, traders said.

The 30-share Philippine Stock Exchange Index rose 27.37 points, or 1.3 per cent, to 2,077.04, after a 46.56-point decline Tuesday.

The lower reserve requirement will make more money available for investment and consequently bring down interest rates.

Thai share prices rose on expectations that the country's prime minister would survive a non-confidence debate and then vote for a much-hoped-for new constitution. The Stock Exchange of Thailand index climbed 10.99 points to 547.02.

In Japan, share prices rose as domestic pension funds and other investors bought shares in blue chips and high-technology issues.

The Tokyo Stock Price Index of all issues listed on the first section was up 21.65 points, or 1.54 per cent, to 1,424.17. It had gained 13.06 points, or 0.94 per cent, Monday.

SEOUL: Share prices rose slightly on the Japanese yen's sharp rise versus the dollar. The Korea Composite Index climbed 1.38 points to 655.75.

SINGAPORE: Share prices mostly fell amid fairly disappointing corporate earnings reports, but electronics and computer stock a dip in US stock prices overnight. The All Ordinaries Index shed 8 points to 2,768.9.

JAKARTA: The Stock Exchange's Composite Index rose 14.163 points to 553.646.