

## Cargo village at ZIA under construction

Bangladesh Civil Aviation Authority is implementing a Taka 200 crore project to build a cargo village at the Zia International Airport.

The project with a floor space of 20,000 sq. meter is being implemented to provide adequate space for both exportable and imported goods.

A source at the Ministry of Civil Aviation and Tourism told BSS here yesterday that the project was being implemented in view of the increasing exports from Bangladesh through air transportation.

The source also said that the project would be implemented within the current fiscal year.

State Minister for Planning, Civil Aviation and Tourism Dr. Mahiuddin Khan Alamgir visited the site of the under-construction cargo village Monday on the northern side of the airport.

He also visited the cargo terminal there and went round its different sections. He asked the concerned authority there to modernise and quicken the delivery of imported goods and ensure security of the exportable items.

Managing Director of Bangladesh Biman, Air Commodore M. Rafiqul Islam and high officials of the concerned authority were with the State Minister during the visit.

## Indian software industry booming

NEW DELHI, Oct 7: India's software industry is expected to grow almost 50 per cent in the fiscal year to March over the previous year and to continue its boom into the next century, business chiefs said yesterday.

The National Association of Software and Service Companies said turnover was likely to touch one billion dollars after growing 66.9 million dollars in the fiscal year to March 1997.

It added that by 2000 the software sector would post a turnover of 3.4 billion dollars.

The association, in a report on the domestic market, said India's software exports had also registered growth of almost 50 per cent over the past five years.

New laws preventing software piracy and higher tax concessions had helped the boom, it said, adding that domestic firms introduced 127 new software products in the Indian market during 1996-97.

The association said further cuts in taxes would make India more computer-friendly.

The population of computers here is around 1.8 million, which is even less than one-third of the total number of computers in New York alone," it said, arguing that high costs of imports stunted sales.

India, while excelling in home-grown computer software, still relies on imports for computer hardware which are heavily taxed, making them more expensive than in the West.

Microsoft Corp. chief Bill Gates, during a visit here in March, had said India could turn into a "software superpower" if more investment was made into infrastructure.

'Currency turmoil has little impact on S'pore economy'

SINGAPORE, Oct 7: Singapore Finance Minister Richard Hu said today the turmoil in Southeast Asian financial markets was having little impact on the economy, reports Reuter.

He told parliament the extent of any longer-term impact would depend on how long it took the region to recover.

He said Singapore's de facto central bank, the Monetary Authority of Singapore (MAS), would continue to allow gradually increased use of the Singapore dollar in international markets.

The Singapore dollar fell after Hu's comments, breaching 1.56 to the US dollar at one point before recovering to around 1.5575 at 0730 GMT, still well below its morning high of 1.5380.

Asked how Singapore was being affected by the financial crises in other Southeast Asian countries, which have seen big falls in many of their currencies, Hu replied: "The immediate impact is very small, certainly for this year."

"He long-term impact will depend on how the regional economies recover and resume their growth," he said.

**\$23.6m Japanese aid for Palestinian refugees**

TOKYO, Oct 7: Japan will give 23.6 million dollars in aid to Palestinian refugees under pressure due to Israel's economic blockade of the Gaza Strip, the Foreign Ministry said yesterday, reports AFP.

The aid will be provided through the UN relief and works agency for Palestinian refugees, the UN Development Programme and the Japan-Palestine Development Fund, the ministry said.

## Kibria rules out adverse impact of SEA currency crisis Taka won't lose value, says finance minister

Finance Minister Shah AMS Kibria yesterday ruled out the possibility of taka devaluation in response to massive erosion in the value of South East Asian currencies, reports UNB.

"I'm confident and sure that there will be no reflection of the South East Asian crisis on Bangladesh," he told a press conference, claiming that the economy is sound and it is performing in full gear.

The minister asserted that the economy will be kept stable and there will be no change in



the country's monetary policy or exchange rate in the wake of currency crisis in the ASEAN countries.

He said the trade relations with the South Asian countries are not as extensive as with the countries in North America, Europe and South Asia, which is a reason of not changing in the exchange rate.

There has also been no impact of the crisis in the neighbouring countries, like India and Pakistan, Kibria said.

Identifying convertibility of

the currency in the capital account as one of reasons behind the crisis, he said Bangladesh is yet to make its currency convertible in the capital account.

The minister said the economy is performing well and growing steadily despite disruptions caused by various problems like power shortage.

Export marked a 20 per cent rise while the capacity utilisation of the industrial units increased which is evident from the increased disbursement of working capital, he said.

At its first meeting yesterday, the committee came up with a number of proposals for the effective implementation of CDS in Bangladesh.

Sources said the meeting stressed the need for Depository Act and some amendments to the existing ones. "To implement CDS, the Company Act 1994, Securities and Exchange Ordinance 1969 and the Stamp Act 1899 need to be amended," an SEC official said quoting meeting sources.

If implemented, the CDS will boost confidence of investors and is likely to eliminate the kerb market. "There will be no paper share certificates," a committee member said.

"All shares will be collected and kept in the central depository and a buyer will get the distinguishing number against a purchase and not the actual paper certificates," the committee member explained.

Automation is not a pre-requisite to CDS. "In Pakistan and India, initiative for CDS had been taken before automation. Automation is a trading system, and CDS is a way of keeping track of shares," a committee member said.

Despite China's stunning economic development since market reforms were launched in the early 1980s, the mainland accounted for just 1.9 per cent of US exports, he added.

And even though Chinese exports to the United States have increased an average 25 per cent a year since 1985, US sales to China have only risen 11 per cent a year over the same period.

There must be greater access for US exports. American trade policy is built on a basic, unwavering demand for fairness and a level playing field.

With the other 140 members of the WTO, we recognise that the increasingly open global market system comes with rights — and obligations."

US warns China, Japan over trade surpluses

HONG KONG, Oct 7: US Secretary of Commerce William Daley issued stern warnings to China and Japan over their huge trade surpluses with the United States, reports AFP.

Tokyo's trade surplus with Washington was approaching politically unacceptable levels and Beijing's was a direct result of protectionist policies which the Washington believed should bar China from the World Trade Organisation (WTO), he told reporters here.

Daley arrived in Hong Kong en route for top level talks with Chinese leaders.

"China's reach is great, its economic impact and potential boundless," he told an American Chamber of Commerce meeting.

"But for trade to continue to thrive, China must be willing to accept the obligations as well as the opportunity that open trade brings."

"The world is waiting for China's commitment to the basics of open and fair trade in all aspects of its global economy."

The United States has a 44 billion dollar trade deficit with China, Washington's second biggest after Japan, compared to a trade balance some 12 years ago.

The United States wanted China's entry to the World Trade Organisation (WTO), but "in a way that generates firm commitment to the principles and practices of the WTO and that genuinely opens the Chinese market," Daley said.

Despite China's stunning economic development since market reforms were launched in the early 1980s, the mainland accounted for just 1.9 per cent of US exports, he added.

Dr Das, on a five-day visit here, said the planned exchange programmes would both institutions share their experiences.

He said Bangladesh needed management resources more than creation of new assets. "Managerial competence is the key requirement right at this moment."

## Laws drafted to speed up privatisation of SOEs

Privatisation Board Chairman Kazi Zafar Ullah yesterday has said the Board has drafted a legal framework to be placed before the Jatiya Sangsad to pave the way for the government to privatisate state-owned enterprises (SOEs), reports BSS.

He was exchanging dialogue with economic reporters at the board room here yesterday as part of its public awareness programme to mobilise opinion in favour of privatisation in the country.

The draft, he said, will be sent to the Ministry of Law for its vetting before placing it before the Jatiya Sangsad so that all hurdles could be overcome.

He said the Board has finalised 32 SOEs for privatisation. Out of those, board has already issued letters of intent for handing over nine SOEs. Gov-

ernment shares of nine other SOEs are now being sold through ICB with the approval of the Prime Minister.

Zafar Ullah emphasised the need for mobilisation of public opinion in favour of privatisation and called for media support and coverage in this respect.

Referring to the nomination of two opposition MPs including former Finance Minister and BNP leader M Saifur Rahman as part-time member of the privatisation board, he said politicians played a important role in moulding public opinion in favour of privatisation.

He said that the Board would launch a massive cam-

paign highlighting various advantages of privatisation. He cited the success stories of New Zealand, Pakistan and Sri Lanka in this regard.

The board, he said, would organise a series of seminars, campaigns and meetings in industrial areas, radio and television programmes, poster, publicity and media campaign to mobilise public opinion.

Privatisation Board member SM Zakaria said that the board would sit down with the workers and employees of SOEs so that their problems could also be addressed and they could get their due benefits at the time of privatisation.

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It did not give a figure for the oil revenue. Other exports did not exceed three billion dollars, amid a crisis in the non-oil exports caused mainly by strict government regulations.

Iran is the largest exporter of crude in the Middle East after Saudi Arabia with an average sale of 2.5 million barrels a day.

The bank said that the country's foreign debt had dropped to 16.8 billion dollars along with 15.8 billion dollars in "financial commitments" — goods and services purchased but not yet received.

Crude sales accounted for much of the 22.5 billion dollars of goods exported last year, while imports stood at 15 billion dollars, the central bank said.

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The bank said that the country's foreign debt had dropped to 16.8 billion dollars last March from 22 billion dollars a year before.

About 12.3 billion dollars of the total debt is long and medium-term and the rest short-term, it added.

But the figure excludes the money owed for goods purchased last year but not yet taken delivery of that added, the country's foreign debt would rise to 32.6 billion dollars, the bank said.

The bank said in January that Iran owed about 23.35 billion dollars in foreign debt.

The unprecedented debt resulted from runaway imports in the early 1990s, when the government opened up the economy after the 1980-1988 war against Iraq.

In an about-face prompted by growing public criticism, the government sharply curbed imports three years ago to save hard currency to pay back the debt.

Participants of the training workshop on Integrated Farm Management, organised by Business Advisory Services Centre (BASC).

## Indian Airlines raises fares

NEW DELHI, Oct 7: Indian Airlines yesterday announced its fourth fare increase in two years, hiking prices by up to 14 per cent, an airline spokesman said, reports AFP.

The spokesman said the company was forced to act following increases in input costs... beyond the control of the airline.

"Even with the increase, the domestic fares in India remains among the lowest in the world."

The loss-making state-run domestic carrier said charges for shorter routes would increase by 14 per cent, with 10 per cent rises for longer hauls.

Indian Airlines, which receives a 45-million-dollar annual government subsidy, has accumulated losses of 166 million dollars since 1993.

It has announced plans, however, to post a profit of 26 million dollars in the fiscal year to March 1998.

## BASC certificate awarding ceremony

Certificate awarding ceremony of the 5-day training workshop on Integrated Farm Management, organised by Business Advisory Services Centre (BASC) was held on the 24th of October at the BASC Training Hall in the city on Sunday.

A Hafiz Choudhury, FCA, Chairman BASC Board of Directors, attended the ceremony as chief guest and distributed certificates among the participants, says a press release yesterday.

The training workshop was participated by 20 participants from Hytek Garments Ltd, Sonali Matsya Hatchery, Inter Exports International Ltd, Sabir Prawn Culture Farm, Gachhia Aquaculture Farms Ltd, Haltia Farms Ltd, Kalyani Khamar, Pisciculture Training Centre, PEP-BRDB, RD-5 Project, Adarsha Khamar, Cox's Bazar Gonoshasthya Kendra, Agranir Bank, BRAC and some emerging private sector organisations.

Participants of the training workshop on Integrated Farm Management, organised by Business Advisory Services Centre (BASC).

## Iran posts \$ 7.5b trade surplus

TEHRAN, Oct 7: Iran had a trade surplus of around 7.5 billion dollars for the 12 months ending March 1996, thanks to higher revenues from crude oil exports, the central bank said yesterday.

The figures, published in the government newspaper Iran, also put Iran's foreign debt at 16.8 billion dollars along with 15.8 billion dollars in "financial commitments" — goods and services purchased but not yet received.

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## CDS soon to make share trading easier Laws need changes

By M Shamsur Rahman

Work on setting up of a so-called central depository system (CDS), which will have share trading scripless and transfers made by book entry, is underway as a high-level committee discussed its legal and operational framework yesterday.

The eight-member CDS Committee, formed on September 24 with Securities and Exchange Commission member Shahabub Alam as convenor has been assigned to design and sort out the legal and operational framework of the system.