


SHOWROOMS : **SANYO**
 Gulshan - 31 Gulshan Tower, Gulshan-2, Dhaka
 Tel. 9882192
 Malibag - 89, DIT Road, Malibag, Dhaka
 Mirpur - 674, Rokeya Sarani, Kazipara
 Mirpur, Dhaka
 Uttara - Baly Complex, Sec-3, Uttara, Dhaka
Transfin Trading Limited
 Tel. 819625-9 815306-9

The Daily Star BUSINESS

DHAKA THURSDAY, OCTOBER 9, 1997



HYUNDAI
CARS THAT MAKE SENSE

GSP helps both consumers and exporters, says EU official

Ruth Albuquerque, a leading official of the European Union in charge of Bangladesh affairs, yesterday said the European Union attaches great importance to the "rules of origin" not only to help the less developed countries to step into the European market but also to ensure their industrial development, reports BSS.

In an interview with the Bengali service of the German Radio, Deutsche Welle, the EU official said that the countries which guaranteed the "rules of origin" are given export preferences under the Generalised System of Preference (GSP) in accordance with the Union's decision. This not only ensures substantial duty cut to the exporters but also helps the Europeans to buy things relatively cheap, Ruth Albuquerque said.

The interview, conducted by the chief of the Bengali service, Abdullah Al Faruq, was aired this morning. The EU official praised the recent decision of the Bangladesh government to cancel seven hundred "defective" GSP certificates saying this initiative would obviously pave the way for greater understanding between the two parties. She said they have already requested the government to send the papers of the "defective" certificates within October so that the Union can take a decision on the issue.

In this connection she remarked that since Bangladesh does not produce raw materials domestically and mostly depend on imports, the European Union may also consider continuation of the GSP facilities to the country under special considerations even if it imports raw materials partially.

In this connection, she pointed out Bangladesh has already requested the EU to withdraw the conditions under the "rules of origin" since it mostly depend on the raw materials for the ready-made garments. This was discussed with the Bangladesh Commerce and Industries Minister Tofael Ahmed by the senior EU official during his recent visit to Brussels, she said.

She said requests from Cambodia, Laos and Vietnam to withdraw the conditions under the "rules of origin" have already been endorsed by the EU.

Asked about why the EU was so rigid in pursuing the "rules of origin," Ruth Albuquerque said the violation of the rules can not be accepted by the Union. Not only Bangladesh but all other countries getting the same GSP facilities were told to follow the rules strictly, she explained.

Countries of the European Union particularly the Germany, Denmark, Italy and France are the major importers of Bangladesh ready-made garments. Bangladesh exported garments worth nearly sixty crore dollars last year to the European markets.

US envoy calls on CCCI leaders

CHITTAGONG, Oct 8: The United States has a keen interest in promoting business, more investment and contributing to infrastructural development in Bangladesh, reports UNB.

This was stated by American Ambassador in Bangladesh John C Holzman here Tuesday while talking with Chittagong Chamber of Commerce and Industry (CCCI) leaders including its president Zafur Islam Chowdhury MP.

Chamber sources said Holzman, who came to the port city on his first-ever visit after being assigned in Bangladesh, enquired about business and investment climate, infrastructural opportunities of power and energy sector, banking, capital market and the port.

The US Ambassador also made a courtesy call on Chittagong City Corporation Mayor Ahajj ABM Mohiuddin Chowdhury at his office.

"Chittagong will receive more international importance due to its strategic location and unique scenic beauty," said Holzman.

Dubai ports increase operations

DUBAI, Oct 8: The ports of Dubai, among the busiest in the world, yesterday reported a 10 per cent growth in operations in the first half of 1997 because of a surge in trade, reports AFP.

Cargo handled by the Rashid and Jebel Ali ports increased by 10 per cent to 16.7 million tonnes in the first half of 1997 over the same period of 1996, the Dubai ports authority said. The number of containers also increased by around 10 per cent to 1.23 million tonnes in the same period, it said in a statement.

A total of 4,951 vessels called on the twin terminals in the first six months of 1997, including 2,234 container vessels, a 16 per cent rise over the first half of last year.

Kibria links new lending to recovery of default loans

Finance Minister Shah AMS Kibria yesterday said Bangladesh has bright prospects for development in the light of globalisation and, consequently, the process of adjustments in the country's economic and banking sectors are taking place in a positive way, reports BSS.

Inaugurating a day-long workshop on "Banking and monetary management", jointly organised by Economic Reporters' Forum and Standard Chartered Bank, the Finance Minister said, "We are trying to adjust ourselves to the competitive, and sometimes harsh, process of globalisation as only the efficient will now survive."

He said though our politicians are pre-occupied with the old problems, the foreigners foresee the fortunate and positive sides of Bangladesh's economic development with its vast reserves of oil and natural gas.

Chief Executive of Standard Chartered Bank in Bangladesh, Geoff Williams, President of Economic Reporters' Forum Shamsul Huq Zahid and head of treasury and institutional banking of Standard Chartered Bank also spoke in the inaugural session of the workshop.

Dwelling on the efforts of the present government for infusing dynamism in the country's banking sector and realisation of huge amount of default loans, the Finance Minister said none would be allowed to grab public money.

He pointed out that the government had already realised more than Taka four thousand crore from the defaulters and said of the amount, Taka 3,000 crore was in cash and the rest in bank's rescheduling programmes.

Kibria said if the default loans could be recovered successfully, the banks would be in a position to lend again on

long-term basis for industrial and economic development.

Henceforth, the banks would also have to be careful for recovery of loans before lending, he said.

Regarding the functioning of some private banks on Saturdays, the Finance Minister said the state-owned banks would have to take their decision to operate on Saturday for meeting the public needs as well as for their existence in the business.

About the differences between low rate of interest on deposits and high rate of interest on lending, the finance minister said the banks are now free to refix their interest rates on the basis of demand and supply.

In this connection he pointed out that the state-owned banks and the big commercial banks were charging high lending rates to cover up their losses on account of huge bad industrial loans

Regarding the foreign bank's funding programme for industrialising, the Finance Minister said an amount of Taka 400 crore is expected to be invested soon. Of the amount, the foreign banks would provide Taka 200 crore while the remaining Taka 200 crore will be contributed by Bangladesh Bank on fifty-fifty basis.

About industrial funding, Kibria pleaded that all other banks should come forward in this respect. Regarding the formation of an industrial development fund, he said that the Bangladesh Bank and the representatives of foreign banks should find out the modalities. In this connection, he expressed the hope that more foreign banks, including the international finance corporation and the Asian Development Bank, would be mobilised for providing crucial additional funds for industrial development in the country.

Tofael urges BCIC officials, CBA leaders

Help develop economy

CHITTAGONG, Oct 8: Commerce and Industries Minister Tofael Ahmed called upon the people irrespective of party affiliations to work unitedly for the development of the country through increasing production in the mills and factories side by side the agriculture, reports UNB.

The minister was addressing a gathering of chief executives, department heads and CBA leaders of 22 BCIC controlled industries of the region in the premises of Chittagong Urea Fertilizer Factory Limited (CUFL) on Tuesday, said an official handout.

"Peaceful and normal atmosphere are the pre-conditions of industrialisation," said Tofael adding, "foreign investors will come forward to invest in the country if favourable environment is existed in the mills and factories."

He also said that the present government has created a favourable investment climate in the country and many leading foreign companies are coming forward to invest here. But a political party do not want more investment and prosperity of the country.

Tofael said the government is determined to reach every agricultural appliances including fertilizers to the doorsteps

of the farmers at a nominal price. Bumper production of crops was achieved last season as the government provided fertilizers at comparatively low prices in comparison with the last 15 years. But 18 farmers were killed during the period of previous government for demanding fertilizer, he said.

Referring to the production deficit of the fertilizer factories in the country caused by gas shortage, the minister said the problem would not be existed from February next. Moreover, Tk 2,000 crore might be earned by LNG exporting after meeting the country's demand.

National Life's training courses for October

National Life Insurance Company Ltd will organise training courses on Insurance and Market Exploration at Raipur, Ramganj, Datterhat, Ramgoti, Laxmipur, Hajiganj, Chandpur, Kachua, Laksam, Barura, Chuadanga, Kushtia and Jessore on October 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 28, 29 and 30 respectively, says a press release.

The courses will be inaugurated by Dr Ibrahim Mukul, Vice President (Training) of the company. The lecturer panel will include him and respective Zonal/Division managers.

New service for resolving int'l LC disputes

A new global service for the resolution of international letter of credit (LC) disputes was announced recently, says an International Chamber of Commerce Press release issued from Paris.

The ICC's new DOCDEX system is built on the organisation's premier role in international commercial dispute resolution, but introduces several striking innovations.

DOCDEX, in contrast with the more well-known ICC arbitration, is strictly limited in subject matter — it only involves disputes involving documentary credits and their reimbursement. Documentary credits, also known as letters of credit, are a sector which has been estimated to represent more than US\$ 100 billion in banking obligations annually. Documentary credits are an essential part of the export process.

As DOCDEX defines its subject matter so tightly, the ICC has been able to recruit for its DOCDEX panels a pool of more than 80 highly-specialized and experienced experts from 16 countries. This responds to a request on behalf of international bankers for expert-based dispute resolution. Bankers often complain that many judges, arbitrators and lawyers have difficulty in understanding the intricacies of everyday letter of credit practice, and therefore frequently come to incorrect decisions.

The ICC's expert-based system — which includes a review by three experts, plus a final review by the ICC Banking Commission officers — will preclude the problem of uninformed decisions. For credits under US\$ 100,000 in value, the DOCDEX administrative fee is set at US\$5000 and the panel will respond with its official opinion in most cases within six to twelve weeks after receipt by the ICC of the completed application. For credits exceeding US\$ 100,000 in value, the ICC may request an additional deposit of US\$ 5000.

DOCDEX decisions are in principle non-binding (although parties may override the basic provision by stipulating that decisions will be legally binding). The non-binding nature of the basic procedure is intended to provide banks with the alternative to litigation of a highly-reliable expert system. The ICC expects and urges banks to voluntarily comply with DOCDEX decisions, but it is likely in any event that any case involving a credit would give great weight to any DOCDEX decision introduced into evidence.

The ICC recommends that all banks involved in international trade begin to insert a reference to DOCDEX in their documentary credit applications, as well as in the advices or other communications. A possible formulation would be as follows: "This credit is issued subject to the ICC's Uniform Customs and Practice for Documentary Credits 500 and the DOCDEX Rules."

SAARC tourism workshop held in Karachi

A regional workshop of South Asia Integrated Tourism Human Resource Development Programme was held in Karachi recently, says a press release.

Saliyd Zafar Ali Naqvi, Joint Secretary, Ministry of Culture, Sports and Tourism of Pakistan chaired the two-day workshop.

The workshop was attended by delegates representing the core sectors of the tourism industry in their respective countries as well as a European Commission team led by Winston McColgan Charge d'Affaires a.i. of the Delegation of the EC in Pakistan.

The Bangladesh delegations was led by HM Hakim Ali, Vice-Chairman of National Tourism Human Resource Development Committee.

The workshop evaluated the progress of the project, funded by European Commission.



Bangladesh Express Co Ltd, licensee of Federal Express, recently conducted a training on "US customs rules and regulation package acceptance." The training was largely attended by Operations Customers Service and Sales staff of the company.

Sonali Bank sanctions Tk 54.71 cr loans

Sonali Bank Tuesday sanctioned Tk 54.71 crore loans for different industries, says a press release yesterday.

The decision of sanction was made at the 556th board meeting of the bank held in Rajshahi with Mohammad Asafuddin-wah, Chairman of the bank in the chair.

A discussion with seven top loan defaulters in Rajshahi division was also held where the Board of Directors decided to reschedule the repayment period by waiving a part of the interest on the loans of some defaulters.

The bank sanctioned Tk 2.39 crore as loan for setting-up of a cold storage in Rangpur and Tk 3.32 crore for setting-up another cold storage in Joypurhat. Working capital of Tk 34 crore for a modern textile industry and Tk 15 crore for a jute industry were sanctioned.

Tk 18cr BSRS term loans
Bangladesh Shilpa Rin

Sangstha (BSRS) yesterday sanctioned term loans amounting to Taka 18 crore to set up several industrial projects including two in the export sector, reports BSS.

The amount will be used to set up one export-oriented denim cloth manufacturing unit at EPZ, Savar on syndicate financing basis, one export-oriented shoe manufacturing unit at Gazipur and two cold storages in the northern region of the country, a press release said.

The loans were sanctioned at a meeting of the Board of Directors of BSRS with Secretary, Local Government Division Hasnat Abdul Hye in the chair.

BSRS in the press release said that when implemented these projects are expected to create direct employment for about 500 people.

It said the denim cloth manufacturing unit will be established under consortium financing of Sonali Bank, BSRS and IFIC Bank.

Bangladeshi book guides Indians

By Govinda Shil

Indian publishers, who have long dominated the market here, are buying copyrights of Bangladeshi preparatory books, especially those useful for competitive examinations.

PK Publishers of Calcutta has recently bought copyright of a book, a Millers Prakashoni publication designed to help those preparing for Bangladesh Civil Service examinations. PK Publishers will be using the international chapter of the book for Indians writing the Indian Civil Service (ICS) examinations.

Hassan said he was considering a few more proposals from Indian publishers for copyright sales.

Millers Prakashoni has also exported medical text books to Sri Lanka. Hassan said he had offers to export many of his books to India, but did not respond fearing those books might be re-exported to Bangladesh.

Under the recent agreement, the Indian publisher has been barred from re-exporting his books to Bangladesh. Millers has 16 different preparatory books in the market, of which "Self Assessment BCS Guide" and "BCS Preliminary Guides" are popular ones. The preliminary guide sells more than 20,000 a year, Hassan claimed.

Adult education is the issue Millers, established in 1988, is planning to publish books on by next year.



Regional Manager of Schenker International, Singapore, Hanns Hauptmann who recently visited Bangladesh is seen with Neo G Mendes and Yusuf Ali of Enem Enterprises Ltd, the agent of Schenker worldwide in Bangladesh.

CHITTAGONG STOCK PRICES

Wednesday's Market Performance

Company	Avg Rate	Prv Rate	Change	Shares traded
Islami Bank	3100.00	3300.00	-200.00	2
Uttara Finance	470.00	431.00	39.00	50
Quasem Drycells	49.69	53.76	-4.07	24850
Anwar Galvanizing	216.58	220.00	-3.42	300
Aftab Auto	327.71	335.08	-7.37	170
Olympic Industries	474.69	481.00	-6.31	150
BD Zipper	130.83	126.86	1.97	500
Wonderland Toys	153.50	156.33	-2.83	200
BD Luggage	112.00	111.50	0.50	300
BD Auto Cars	125.00	122.58	2.42	40
Eastern Chassis Ltd	324.50	329.81	-5.31	50
Apex Food	1860.00	1670.00	-10.00	10
Raspiit Food	551.67	563.63	-11.96	150
Bengal Biscuit	150.18	151.02	-0.84	400
AMCL (PRAN)	701.00	703.00	-2.00	20
BTC	149.87	144.33	5.54	750
Ctg Vegetable	133.44	133.89	-0.45	180
Tripti Industries	247.23	251.75	-4.52	370
Dhaka Fisheries	210.00	220.00	-10.00	50
Meghna Shrimp	112.00	115.50	-3.50	20
Rahima Food Corp	94.00	97.00	-3.00	50
Padma Oil	241.00	237.62	3.38	150
BOC (BD) Ltd	143.03	144.07	-1.04	1200
Prime Textile	161.35	161.06	0.29	850
Apex Weaving	91.71	93.05	-1.34	3000
Beximco Textile	137.25	139.00	-1.75	200
Beximco Synthetics	207.00	211.00	-4.00	120
Beximco Denims	264.70	271.00	-6.30	500
Beximco Knitting	135.66	141.78	-6.12	1020
Padma Textile	391.00	398.43	-7.43	200
Sajib Knitwear	51.65	52.33	-0.68	850
Chic Text Ltd	117.70	121.10	-0.43	95000
Sreepur Textiles	98.67	98.75	-0.08	450
Monno Fabrics	118.74	121.10	-2.35	4850
Eagle Star	16.78	16.42	0.36	40300
Alltext Ind	87.98	88.06	-0.08	1090
BD Dyeing	261.38	262.09	-0.71	320
Dynamic Textile	51.89	52.63	-0.74	4140
Ashraf Tex	29.42	30.04	-0.62	6500
HR Textiles	114.79	114.00	0.79	350
Square Pharma	924.65	940.19	-15.54	960
ACI Ltd	140.03	144.08	-4.05	40500
Beximco Pharma	147.93	148.55	-0.63	87400
Reckit & Colman	170.88	146.00	5.12	400
Ambee Pharma	33.60	34.12	-0.52	2900
Orion Infusion	83.00	86.91	-3.91	1500
BCIL Ltd	244.43	240.00	4.43	70
Perfume (Manola)	84.00	92.50	-8.50	50
Shine Pukur	119.09	119.34	-0.25	11550
Eastern Housing	151.35	154.01	-2.66	5140
Confidence Cement	451.12	465.67	-14.45	7420
Ctg. Cement	1505.61	1536.55	-30.94	1595
Meghna Cement	413.35	431.94	-18.59	4950
Niroy Cement Indus	286.55	291.44	-4.89	150
Apex Tannery	600.02	609.47	-9.45	1560
Apex Footwear	380.00	385.00	-5.00	20
Mark Bangladesh	187.00	187.57	-0.57	200
Excelsior Shoes	100.92	100.67	0.25	300
Faragon Leather	120.00	119.71	0.29	500
Usmania Glass	990.00	1015.00	-25.00	10
Aramit	76.86	80.11	-1.45	3050
Beximco	117.00	118.30	-1.30	800
Monno Ceramic	822.00	822.15	-0.15	10
Bengal Fine Cera	350.00	330.00	20.00	50
QG Ball Pen	265.33	260.13	5.20	300
RH Ball Pen Ltd	49.30	44.90	4.40	700
Janata Insurance	256.43	252.50	3.93	140
Central Insurance	301.98	290.31	11.67	640
Federal Insurance	260.33	254.00	6.33	150
Sandhani Life Ins	182.23	195.40	-13.17	550

CSE at a glance

CSE All Securities Price Index	416.55
Day's Change in Points	-1.42
Day's Change in Percent (%)	-0.3387
Turnover in Value (Taka)	38,851,080.00
Turnover in Volume	372,517
Total Issued Capital (Taka)	22,129,343,390.00
Total Market Capital (Taka)	67,277,044,947.13
Total Market Capital (US\$)	1,495,045,443.27
Total Number of Contracts	1706
Total Issues Traded	70
Issues Gained	18
Issues Declined	52
Issues Unchanged	0
Total Listed Securities	137
Listed Companies	124
Listed Mutual Funds	9
Listed Debentures	4

India's industrial production on the rise

BOMBAY, Oct 8: Growth in India's industrial output has begun to increase but the revival is patchy, the Independent Centre for Monitoring Indian Economy (CMIE) said yesterday, reports Reuters.

The independent forecaster expects India's index of industrial production to show 6.5 per cent growth in 1997-98 (April-March), down from 7.2 per cent in 1996-97.

But after three successive quarters of growth below three per cent, industrial activity expanded by nearly five per cent in the first quarter of 1997-98. "The present fiscal year is likely to end with an industrial growth of about 6.5 per cent,"

CMIE said in its monthly review of the Indian economy. "That together with a forecast 0.1 per cent growth in agriculture will produce a 5.5 per cent rise in gross domestic product, at factor cost, in 1997-98 after 6.1 per cent growth in 1996-97, CMIE said.

It said the recovery was not broad-based and was concentrated in the textile and fertilizer industries, and in electricity generation. In July, metals manufacturers also showed good growth, notably steel ignots, pig iron and copper.

The forecaster expected India's inflation, based on its wholesale price index, to average 7.0 per cent in 1997-98 (April-March) compared with 6.3 per cent in 1996-97. WPI year-on-year growth was measured at 3.75 per cent in the week ended September 20. "We expect inflation to remain low in September and pick up later in the year and the year is likely to end with an inflation rate of around 7.0 per cent," the CMIE said. Central Bank efforts to hold M3 monetary growth in a range of 15.0-15.5 per cent will continue to be tested by waves of foreign capital inflows.

Dhaka's computer devices find US buyers

In a pioneering enterprise, a Bangladeshi businessman is exporting computer devices to the US, and is hoping to extend his markets to European Union countries and Japan. The Gauss Magnetics and Electronics Ltd has been selling electronic transformers to US buyers since 1995. During the last 1996-97 financial year, the company's export stood at US\$ 7.25 lakh and its target for the current fiscal has been set at US\$ 1.2 million.

"The US is a huge market for electronic devices," says ZIAS Siddique, who claims to be the first such Bangladeshi exporter of computer devices to Western markets. He has a sales office at the Silicon Valley, Los Angeles, California.

Siddique has also won orders from Japan for electronic adaptors, which will be shipped from this January.

He says his 87-man company is growing at a rate of 23 per cent a year.

The entrepreneur believes there are huge potentials worldwide for Bangladeshi electronic products. "But we need government assistance to explore new markets," he said. "Marketing involves a 100 per cent additional cost." According to him, many East Asian countries bear the cost of finding new markets.