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BUSINESS

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HYUNDAI

CARS THAT MAKE SENSE

Tofael assures chamber of long-term, effective policies

Commerce and Industries Minister Tofael Ahmed has said the government is formulating policies for expanding trade and industry in consultation with business leaders with a view to improving the effectiveness and durability of the policies, reports UNB.

He was addressing the newly elected president and directors of the Dhaka Chamber of Commerce and Industry here yesterday.

The minister said, the preparation of industrial and export-import policies, aiming at simplifying the procedure for export, import and industrialisation, is at the final stage.

Besides, a permanent advisory committee, comprising members from public and private sectors, has been formed to advise the government in regular basis to achieve the goal.

Appreciating the traditional role of DCCI in improving trade and investment in the country, the Industries Minister said, the government is maintaining export growth rate at 21 per cent and expecting total annual export to about 6 billion US dollar.

He sought cooperation and advice of DCCI leaders for fulfilling the dreams of the people for economic emancipation.

Explaining the government's strategies about privatisation and refinancing of the sick industries, Tofael said the government is planning to maximise the utilisation of unoccupied land of the listed state-owned enterprises (SOEs) through attracting foreign investment.

He said, a committee has been working to identify the viable sick industries for refinancing. The Minister said, all entrepreneurs are not deliberate defaulters. Complicated and lengthy procedure are also responsible for becoming defaulters, he said.

He said, the government is taking steps to improve the overall condition of some SOEs through implementing joint venture initiatives, including handing over the management of the SOEs.

DCCI president R Maksud Khan, who led the delegation, appreciated the role of government, specially the efforts of the commerce and industries ministries, for private sector development. He said the proposed industrial policy will help accelerate the pace of industrialisation and investment.

The DCCI president also put some suggestions to restore the interest of the local industries. He stressed the need for new entrepreneurship development programmes, and venture capital for attracting new generation in trade and investment.

Bird flu: UAE bans import of poultry from HK, China, Australia

CANBERRA, Australia, Jan 5: The United Arab Emirates has included Australia in a ban on imported poultry in the wake of the Hong Kong bird flu scare, even though it imports no birds from Australia, officials said Monday, says AP.

Australian diplomats in Dubai confirmed the United Arab Emirates had imposed a ban on all chicken and bird meat from China, Hong Kong and Australia, a spokesman for Primary Industries Minister John Anderson said.

There have been no cases of bird flu in humans in Australia, but the ban is believed to stem from an outbreak of a chicken influenza virus late last year. Australian authorities said the outbreak was of a different strain to the one blamed for four deaths in Hong Kong and

which has prompted the eradication of the territory's entire chicken population.

"We've been informed there was a temporary suspension and it's now being pursued through diplomatic channels," Anderson's spokesman said.

"We'll be providing them with the technical information necessary to convince them we have a safe product."

The ban would not affect Australia's exports because there was never any record of poultry exports to the United Arab Emirates, he said.

China denies any cases of flu

BEIJING, Jan 5: China said Monday it remains free of the bird flu that has forced Hong Kong to slaughter its chicken flocks, despite unconfirmed reports of poultry die-offs and at least one human death, says AP.

A new round of tests of chicken blood samples from farms in southern Guangdong province that are the main source of Hong Kong's fresh fowl showed no signs of the disease, the newspaper China Daily reported.

Some experts have said they believe that like most strains of influenza, the bird flu originated in southern China. Until China halted exports on Dec. 23, its poultry farms supplied some 75,000 chickens a day to Hong Kong.

Millions of Hong Kong residents are expected to return to their Chinese hometowns for the lunar new year later this month. This has raised concerns that the disease might spread in either direction although experts say there is no evidence humans can give the disease to each other.

Because the disease appears to be spread mainly through contact with contaminated poultry, Hong Kong has attempted to destroy its entire chicken population to prevent a possible epidemic.

The China Daily report said new tests were conducted on a collection of 1,087 samples gathered in December at farms and markets in Guangdong, which borders Hong Kong.

The bird flu has killed four people in Hong Kong. Of the 16 people who are known to have fallen ill with the disease, seven have recovered. Five others also are suspected of having the flu.

What's up there in the rice market?

A big question. An agricultural scientist says growers haven't got their prices, now hitting abnormal highs. He looks at the options for the policymakers.

By Ramendra Choudhury

Should the recent tilting in the price of rice be overlooked and left to be resolved by the existing market forces? As a matter of fact, Bangladesh's agri-commodity market is quite weakly organised. Traditionally, it operates against the interest of the producers and at times even against the consumers. The recent price hike was abnormal by any consideration. It may be taken as a test-case to prove how easy it is to manipulate the market.

The price of rice marked an increasing trend during the third week of December 1997. It was abnormal both in time and magnitude. During the same time last year, the price was at 130-150 only per maund (37.32 kg). About the same price range had prevailed in the past years. But this year the price shot up to as high as Tk 250-275 per maund. Apprehension was there that it might go up further. Did the rising price bring smiles in the faces of the millions of rice growers? No, there was no sign of that. It just caused pains to the consumers. Only the traders must have made a big profit.

Production below anticipation, increase in transportation cost, delay in completion of harvesting and processing by a large number of big farmers and such other factors are cited to have created the situation. But how far these factors individually or collectively stand to be acceptable in this regard?

A report from North Bengal stated that last year the average production was 42 maunds per hectare. This year it came down to 39 maunds per hectare. The area under aman rice cultivation, on the other hand, was increased to 19 lakh hectares from last year's 16.13 lakh hectares. This spoke of about seven per cent decrease in productivity against 18 per cent increase in area, the net result being nine per cent more production as compared to last year's production. Should the situation be altogether different in other regions?

Another report, quoting DAE sources, said that the yield of broadcast aman in low-lying bil areas suffered much reduction. There was not any significant reduction in the yield of transplanted HYV Aman — the largest rice crop of the country. This report estimated that if 50 per cent of broadcast aman and five per cent of the HYV T Aman yield reduction occurs then even the total yield loss would not go beyond 10 lakh tonnes. This loss would in no way amount to more than four per cent of the national food grain requirement for the year. But the primary market price of new paddy was increased by 100 per cent or more. Was not the situation seemingly abnormal?

Crop loss or yield reduction is not a new experience in Bangladesh. It occurs in different magnitudes in different years due to causes like scarcity of inputs or calamities of nature. But in absence of any well-built crop-forecasting system, there is no authentic means for acceptable pre-assessment. This year the big farmers have not yet started to market their production. Moreover, there was a bumper production of foodgrains last year. A sizable quality thereof has yet been lying with the big farmers and stockists. The procurement drive by the government is yet to start. As such, who could at this time of the year be certain to say about food grain scarcity in the country?

Morevoer, the government has a plan to import 58 lakh tons of foodgrains to meet any eventuality in the domestic food market. Licences are being issued and some of the traders have already started importing. All inclusive, the imported rice costs Tk 10.50-11.00 per kg. The market price shooting up to Tk 14-17 per kg created an opportunity for the importers to dispose of, at a big margin, the rice they had already imported. This also gave them a prospective chance to use the LCs already opened by them for importing rice.

The very timing of the price hike should not miss attention. The small farmers had already disposed of their production even at a price of Tk 80-100 per maund to repay pre-conditioned loans to the private money lenders. The big farmers were yet to bring their produce to the market. As such no benefit of the soaring price would be achievable to the growers in general. Moreover, the holy month of Ramadan was knocking at the door. So the traders would be welcome to bring down the market by import or any other means.

A brief point needs to be stated here. Traffic jam at ferry ghats and consequent delay in transportation are also said to have created the price hike. But if there were genuine reasons, what could be the cause of price rise in the surplus areas of North Bengal?

Setting things in right order quickly may be too much to expect. It is, however, expected of the government to strengthen the market monitoring system so that it does not remain a playing ground for the traders alone. Moreover, the government would be required to launch a vigorous food grain procurement drive. Otherwise under import saturated rice supply the growers at home may find themselves in a very dull market. A well-planned procurement drive now may also provide the government to face with strength the probable price-hike or crisis just before the next boro paddy comes in the market. Food supply situation constitutes a very delicate issue in Bangladesh. Preparedness is of utmost importance to take the bull by the horns at any time.

Rupiah, ringgit, baht hit record lows

SINGAPORE, Jan 5: South-east Asian currencies plunged in early today trade, with the Indonesian rupiah, the Malaysian ringgit, the Philippine peso and Thai baht recording new lows, dealers said, reports AFP.

Asian currencies were being sold down on lingering fears that more turbulence lies ahead for Asia before recovery from the regional financial turmoil since July last year sets in.

The Indonesian rupiah fell in the first few minutes to a record 6,310 to the US dollar, before recovering slightly to 6,150, from last week's close of 6,050.

The Malaysian ringgit breached the psychological 4.0 to the US dollar level, registering an all-time low of 4.02 from last week's 3.9525.

The Philippine peso fell to a record low of 42.24 to the greenback from its close last week of 41.05 while the Thai baht off-shore slid to 49.90 from the previous close of 48.05.

This is not a good start. You would consider this as the first real trading day because last Friday was not an indicative session," said Andy Tan, Manager of Standard and Poor's MMS in Singapore.

Other Asian currencies that slid in early trade were the Singapore dollar, posting 1.7050 to

the US dollar in early trade from 1.6955, and the Taiwan dollar at 33.125, from 32.64.

The South Korean won firmed to 1,720 to the US dollar from last week's 1,750. The Japanese yen was steady at 132.3 to the greenback.

Falling Filipino peso halts trading

MANILA, Jan 5: The Philippine peso fell four per cent to a new record low in the first 90 minutes of trading Monday, forcing halt to all transactions beyond that level for the remainder of the day, reports AP.

Dealers said falls in other Southeast Asian currencies and heavy corporate demand for dollars quickly pushed the peso down to 42.65 pesos per dollar, the limit allowed under a system of daily volatility bands.

The peso's previous low was the 41.80 pesos per dollar it hit at one point during trading on Friday.

Dealers said the peso was pressured by pent-up demand for dollars after the New Year recess and the declines in other regional currencies. Lower overnight interest rates further weighed on the peso.

KL plan to expel foreign workers may pose security problems

KUALA LUMPUR, Jan 5: The Malaysia Crime Prevention Foundation warned yesterday that laying off some one million foreign workers amid the country's economic slowdown could pose social and security problems, reports AFP.

President Lee Lam Thye said the foundation was concerned as 80 per cent to Malaysia's 700,000 construction workers were foreigners and the country's index crime had been steadily rising since 1994.

The unloading of a huge wave of unemployed foreign labour on the streets could lead to social problems and pose a security threat to the public, he warned.

"Employers who are compelled to retrench foreign workers should first notify the immigration department and the police before dismissing them," Lee was reported as saying by Bernama news agency.

This was vital to ensure the smooth repatriation of expatriate labourers as well as to prevent workers from turning to criminal activities, he said.

The number of index crimes rose to 108,807 cases in the first 11 months of 1997, up 19 per cent from a year earlier, he added.

The government said Friday it was considering expelling foreign workers as the "cost" of Malaysia's economic downturn, with an estimated one million people threatened with unemployment.

The home ministry has frozen new applications and renewals of work permits in certain service sectors except for domestic maids and plans to redeploy existing labour to the plantation and export-oriented sectors.

But opposition parties have asked the government to clarify its policy towards the country's two million foreign workers and warned the move may lead to other problems.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 5th Jan '98.

Name of Currency	Buying		
	TT Clean	OD Sight	OD Transfer
US Dlr	45.2800	45.1100	45.0100
GB Pound	74.0456	73.7676	73.6041
D Mark	25.0534	24.9594	24.9040
F Franc	7.4858	7.4577	7.4422
C Dlr	31.6099	31.4912	31.4214
S Franc	30.8375	30.7217	30.6536
JP Yen	0.3387	0.3374	0.3367

Name of Currency	Selling		
	T.T. & O.D.	B.C.	
US Dollar	45.6955	45.6990	
GB Pound	75.2519	75.3170	
D Mark	25.5216	25.5436	
F Franc	7.6257	7.6323	
C Dollar	32.2065	32.2343	
S Franc	31.4300	31.4572	
JP Yen	0.3487	0.3490	

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 05/01/98.

Name of Currency	Buying		
	TT Clean	OD Sight	OD Transfer
US Dlr	45.2850	45.0991	44.9884
GB Pound	74.0336	73.7211	73.5402
D Mark	24.0459	24.9401	24.8789
FR Franc	7.4849	7.4533	7.4350
JP Yen	0.3405	0.3391	0.3382
C Dlr	31.6144	31.4810	31.4037
S Franc	30.8419	30.7117	30.6363

Name of Currency	Selling		
	T.T. & O.D.	B.C.	
US Dollar	45.6604	45.6988	
GB Pound	75.2294	75.2952	
D Mark	25.5047	25.5269	
Fr. France	7.6216	7.6283	
JP Yen	0.3489	0.3492	
C Dollar	32.1870	32.2150	
S Franc	31.4110	31.4384	

ROK market bullish on Soros' plan to invest

SEOUL, Jan 5: Share prices rose moderately again Monday, spurred by interest in investing in South Korea by well known international bargain hunters, reports AP.

But the South Korean currency, the won, was sharply lower in its first trading session of the year, largely because of continued demand for dollars by importers.

Some big-name foreign financiers, including Bahamas-based Sir John Templeton, already have begun investing in South Korea, and another, George Soros, expressed interest Sunday.

"George Soros' plan definitely affected investor sentiment positively," said Kim Sang-soo, an analyst at LG Securities Co. "People believe if he comes in, other investors will also come in, and such moves will help boost investors' confidence."

At a news conference in Seoul on Monday, Soros said investment in South Korea by the funds he manages could rise "quite substantially."

"Korea has severe problems but it can overcome them in a relatively reasonable period of time, and it can be done by radical restructuring of its economy," he said.

FedEx income rises

MEMPHIS, Tenn, Jan 5: Federal Express Corp has announced that earnings for the quarter ended November 30 were 0.91 dollar per share compared to 0.79 dollar per share last year, excluding a benefit of approximately 0.11 dollar from one-time items in last year's second quarter. Net income for the quarter was 107.0 million dollars compared to 103.7 million dollar a year ago, says a press release.

Revenues for the quarter were 3,299.2 million dollars 16 per cent higher than last year's 2,852.4 million dollar. Operating income increased to 213.8 million from 184.3 million dollar and pretax income was 184.5 million dollar compared to 180.4 million dollar last year.



Employees of securities companies clap their hands in a traditional opening ceremony for the New Year at the Tokyo Stock Exchange Monday. Amid fear of further business failures, the share prices fell on the first trading day of the year. — AP/UNB photo

Plunge in SEA currencies hits Asian stock markets

HONG KONG, Jan 5: Share prices tumbled Monday in Malaysia, Hong Kong and Tokyo as Southeast Asian currencies hit record lows against the US dollar, says AP.

New currency lows were set in Malaysia, Indonesia, Thailand and the Philippines, and Japan's yen sank to its lowest level against the dollar since May 1992.

In general, Asian stock markets were lower, although the main indexes gained in Jakarta, South Korea, New Zealand and Australia.

On the Kuala Lumpur Stock Exchange, the main Composite Index closed at 546.79, down 4.4 per cent, or 25.17 points, on lingering fears over the financial crisis facing Malaysia.

The Malaysian currency broke the psychological barrier of 4,000 ringgit in early trading Monday, and headed downward steadily to new lows. In late trading, the dollar was quoted at 4,060 ringgit to one US dollar.

In Hong Kong, the key index shed 3.5 per cent because of re-

newed concerns over the slump in regional currencies.

The Hang Seng Index, the market's key indicator of blue chips, fell 377.03, closing at 10,303.54.

Late last year, speculative attacks on the local currency sent Hong Kong shares tumbling.

Tokyo stocks started 1998 trading with a plunge of nearly 2 per cent on fears of another rocky year for Japanese business. The dollar soared to its highest level against the yen since May 1992.

In a half-day session following a weeklong holiday, the benchmark Nikkei 225 Stock Average fell 301.90 points, or 1.98 per cent, closing at 14,956.84.

Meanwhile, the dollar's late afternoon trading level of 132.84 yen — up 2.92 yen from Dec. 30 — was its highest in Tokyo since 133.17 yen on May 11, 1992.

The Philippine peso fell five per cent to a record low in the first 90 minutes of trading Monday, forcing a halt to all transactions beyond that level

for the remainder of the day.

The peso ended trading at an average 41.738 pesos per dollar, compared to 41.078 pesos on Friday.

The 30-share Philippine Stock Exchange Index fell 18.43 points, or 1 per cent, to 1,872.84. On Friday, the index gained 22.04 points.

The Indonesian currency hit a new all-time low in early trading Monday when it slumped to 6,350 rupiahs against the US dollar in thin dealings.

But the Jakarta Stock Exchange's Composite Index edged up 0.819 point to 410.830 at the close.

In Thailand, the baht plunged to a record low in the first day of domestic trading in the New Year, passing the milestone of 50 baht to the US dollar. At mid-morning, it was quoted at 51.05 baht to the dollar.

Thai shares also fell, with the key SET index falling 6.51 points, or 1.7 per cent, closing at 366.18.

Shipping Intelligence

CHITTAGONG PORT

Berth Position and Performance of vessels as on 5.1.98.

Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Leaving
J/3	Ya Feng	Cement	Lans Delmure	R/A	6/1	6/1
J/4	Banglar Mamata	Q Cal	BSC	4/1	9/1	
J/5	Erna Oldendorff	R Seed	VREA/Litmond	9/12	9/1	
J/6	Leona	G Buss	Prog	2/12	10/1	
J/7	Thor Spirit	GI/R Seed	Sing AASS	18/12	9/1	
J/8	Wind Fall	Q Mad	Oil	24/12	9/1	
J/9	Da Fu	Cont	Sing APL (B)	30/12	7/1	
J/10	Feng Hang	SSP	Sing PSAL	25/12	9/1	
J/11	Treasure Island	Wheat (G)	P SaidAncient	27/12	6/1	
J/12	Hardy Esperance	Wheat (G)	Sing SSST	23/12	10/1	
J/13	Kota Berjaya	Cont	Sing Pil (BD)	28/12	7/1	
OCT/2	Banglar Rabi	Cont	Sing BSC	2/1	8/1	
OCT/3	Kota Cahaya	GI/R Seed	Sing AASS	18/12	5/1	
CCJ	Petchmamee	C Clink	Sing Seacom	31/12	14/1	
GSJ	Ontario Laker	Wheat (G)	K Dda Lams	R/A	7/1	
TSP	Hyok Sin	R Phos	Pang Move	25/12	7/1	
RM/3	Vanino	CPQ/RBD	Sand TSL	4/1	5/1	
RM/4	Won San	Cement	Long USTC	6/12	11/1	
RM/6	Jin Cheng Jiang	PSSP	Sing Tmil	28/12	10/1	
DOJ	Banglar Jyoti	C Oil	BSC	R/A	5/1	
DD	Banglar Gourab	Repair	Fang BSC	17/11	7/1	
DDJ/1	Tanary Star	Idle	Para PSAL			
DDJ/2	Seabulk Besty	Cont	Sing B Bay	4/1		
RM/8	High Mountain	Cement	Kind PSAL	R/A	10/1	
RM/9	Banglar Kallol	Repair	B Abb Move	17/12	13/1	
CUFLJ	Linghai-19	C Clink	Sing MBL	10/12		
Kalco (U)	Et Ocean Echo	P Mat	Sing MBL	30/9		

VESSELS DUE AT OUTER ANCHORAGE						
Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port	
Bharatendu	5/1	Mad	SSL	GI	-	-
Optima 22/2	5/1	MGL	Baridhi	Cont	Col	-
China Star	6/1	Sing	Everett	GI	-	-
Kapitan Boche	5/1	-	Litmond	R Phos	-	-
M Regina 28/12	6/1	Sing	Pil (BD)	Cont	Sing	-
Kota Bintang 28/12	6/1	Sing	Pil (BD)	Cont	Sing	-
Ultima 26/12	7/1	GEO	Baridhi	Cont	Col	-
Mirdamad 1/1	8/1	Sing	SSL	Cont	-	-
Qc Teal 29/12	8/1	Sing	QCSL	Cont	Sing	-
Sea Energy	8/1	-	Prog	GI	-	-
Sea Horse	10/1	-	Seacom	GI (Copro)	-	-
Johanna 4/1	10/1	Sing	RSL	Cont	-	-
Ilai Mao	10/1	Mong	MBL	Scraping	-	-
Vanessa 1/1	10/1	Col	Baridhi	Cont	Col	-
Al Swarumi	11/1	-	ASLL	-	-	-
Qc Pintaul	11/1	Sing	QCSL	Cont	-	-
Sin Hai 31/12	12/1	Sing	QCSL	Cont	Sing	-
Feng Yan	15/1	-	Baridhi	GI	-	-
Ib Everett	15/1	-	Everett	GI	-	-
Dewan-1	15/1	Kara	AML	GI/GL	Kara	-
San Pablo	-	-	-	-	-	-
(Roro/24) 31/12	17/1	Col	JF	Vehi	-	-