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Micro Computer Controlled Automatic Washing Machine ASW-40MT

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CARS THAT MAKE SENSE

Govt to monitor quality of knit-yarn production

The government will monitor the quality of production of the knit-yarn to ensure the standard necessary for access to the European market, officials said, reports BSS.

The decision was taken to establish transparency in the garments sector and for accommodation of more genuine exporters to Europe, they said.

The GSP-scheme quotas will be distributed after stringent monitoring for enhancing the capacity and creating of room for the innovative exporters, they said.

"Fifty per cent quotas will be distributed after evaluating previous years exports performance to the European Union (EU) markets while another 50 per cent will be given to the registered exporters," they said.

"The quotas will be non-transferable so only the genuine knit-yarn entrepreneurs will be benefited," the officials observed.

Flu: Lanka bans bird import from 17 countries

COLOMBO, Jan 7: Sri Lanka has banned the import of live birds from 17 countries following the deadly "bird flu" outbreak in Hong Kong, a senior government official said today.

"We are enforcing a complete ban on import of live birds from 17 countries where the virus has been reported in the past three years," Sivali Ranawana, Director of the Animal Production and Health Department, told Reuters.

He said that all birds imported from other countries found to be sick or dead would be incinerated at the Colombo Airport without any investigation. All other imported birds would be placed under quarantine for a month.

"We feel that the measures are sufficient to prevent this virus coming into the country," he said.

Hong Kong slaughtered 1.4 million chickens and other poultry last week to minimise the risk of the virus being transmitted to humans through direct contact with live birds.

Myanmar wants to stabilise domestic rice market

YANGON, Jan 7: Myanmar will give priority to stabilisation of domestic rice market before export is carried out, Commerce Minister Kyaw Thanwar said by Tuesday's New Light of Myanmar as saying, reports Xinhua.

While meeting with local rice dealers and farmers in Bago division on Monday, he said individuals will not be allowed to export rice.

"However, rice trading of private entrepreneurs is permitted domestically."

Paddy is Myanmar's main crop and rice has been traditionally the country's chief export goods. At the present season, harvesting of paddy and purchasing of it are underway.

The minister urged rice traders and rice millers and farmers to harmoniously strive for the flourishing of the rice market.

According to official statistics, Myanmar's rice production in the 1996-97 fiscal was 17.08 million tons.

Tea auction active in Ctg

CHITTAGONG, Jan 7: The weekly tea sale, first in the month of Ramadan, yesterday was active and got useful support by Polish buyers, market sources said, reports BSS.

There was some support from Pakistan and Afghanistan at levels slightly lower than the last. Loose tea trade was subdued owing to Ramadan.

But major packeters were active particularly for the good liquoring types, the sources said adding that good liquoring dusts had a strong market.

Bold and large broken had a good market and sold at firm to occasionally slightly dearer rates especially cleaner types. Good liquoring small broken and fannings were about steady while all other broken were slightly easier by Tk 1 to Tk 2.

Fannings met with a slightly less demand and were generally easier by up to Tk 2 and sometimes more with some withdrawals, plainer types were often up to Tk 5 easier.

A total of 1,597 chests, 986 gunny sacks and 32 chests old season were on offer which continued to meet with a good demand. Best liquoring types met with keen competition and were dearer by Tk 3 to Tk 5. Blenders and loose tea buyers continued to lend good support.

In all, 13,290 chests, 5,322 gunny sacks, 140 paper sacks, 13 chests, 236 gunny sacks old season were on offer in the sale, the sources added.

200 politics-hit garment factories seek support

By Govinda Shil

Some 200 garment manufacturers, forced out of business as a consequence of the political turmoil in 1995 and early 1996, are seeking government support to reopen their factories.

These factory owners owe about Tk 200 crore to some 20 banks. They could not service the debts because shipment of their exportable products was delayed by political crisis, which resulted in cancellation of orders in some cases, they said.

Until the crunch came, they claim, their export receipts had just reached US\$ 300 million a year.

But banks are not willing to listen to their story. Unless they repay their loans, the banks would not let them open letters of credit with them.

Commerce and Industries Minister Tofael Ahmed does not agree with the exporters, however.

He told The Daily Star that many of the closed factories failed to even show their unsold products. "Some banks have already agreed to open fresh letters of credit when the manufacturers showed their unsold products," the minister said.

"There is not a single instance where a bank declined after the exporter could show unsold goods," he said.

The commerce minister claimed that in many cases false LCs were produced and entire money were appropriated by some unscrupulous owners.

The Bangladesh Garment Manufacturers and Exporters Association now plans to urge the World Bank to grant manufacturers a US\$ 50 million "export sustenance fund" to help clear the unpaid loans and re-start business.

The BGMEA is pleading with the finance ministry and the Bangladesh Bank.

The BGMEA proposes that the banks adjust 2.5 per cent of the loans from each of the export receipts for a gradual realisation of some Tk 200 crore defaulted.

The association says that those factories could not ship on time and that their products

remained unsold. The owners were later forced to clear the "stock lot" at a high discount.

Finance Minister SAMS Kibria told the apparel manufacturers on a number of occasions last year that he would try to create "blocked accounts" for the victims and ask commercial banks to re-open new accounts to continue business.

However, nothing of the sort has happened so far.

"Before realising the loan, it is highly unlikely that the banks will open new LCs," said a senior Bangladesh Bank official.

The official said that the apparel manufacturers were not properly availing of an existing privilege, re-scheduling their loans with a 10 per cent down-payment.

BGMEA president Mostafa Golam Qudus disagreed. Qudus claimed that there were instances where banks did not open new documents after paying the (10 per cent) down payment.

The BGMEA is likely to approach the Bangladesh Bank soon to discuss the problem.

Another leading exporter Uzair Afzal said it was the only way for the banks to get their loan realised by allowing their customers to open new LCs.

"If new LCs are opened, it will help the manufacturers to run their business, banks will get their money back and economy will receive an additional US\$ 300 million per year," he argued.

Banking Division Secretary Syed Amir-ul-Mulk told The Daily Star the government might consider "if the WB comes up with the fund".

He said restarting business depended mainly on relationship between the banks and the clients. The Bangladesh Bank enjoys authorities to discuss such problems and take necessary steps, he said.

"It doesn't matter much if 200 out of 2600 factories are closed for some reason," the banking secretary said. "There cannot an exception to rule for them."

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Govt to make way for insurance funds into stock markets

Star Business Report

As part of efforts to revive the ailing capital market and meet its liquidity demand, the government on Tuesday agreed to amend laws to make way for insurance funds into the stock market.

The authorities will also take steps to offload government-held shares in companies.

Commerce and Industries Minister Tofael Ahmed told DSE councillors that the government would like to see industrial growth driven by the stock market.

"For rapid industrialisation, we need a very strong capital market so that the companies float shares to raise funds instead of going to banks to borrow the money. We are taking steps to offload government-held shares according to the demand of the market," he was quoted as telling the DSE men.

The minister said the Controller of Insurance would be asked to work out necessary amendments to ensure flow of insurance funds in the stock market.

DSE leaders, busy meeting top government leaders for the past few days trying to boost the market, were happy with the outcome yesterday. The newly-elected Chairman Rakibur Rahman termed the move a "positive step" towards meeting the liquidity crisis.

The minister also assured us that the ministry of finance and commerce ministry would work together for the development of the capital market," Rakibur Rahman said.

The commerce minister asked the DSE leaders to bring transparency in the affairs of the market, and identify problems "specifically so that government can remove those problems".

Meeting with BB Governor today

UNB says: Councillors of the Dhaka Stock Exchange (DSE) will meet Bangladesh Bank Governor Lutful Rahman Sarker today in his bid to revamp the capital market, now suffering from liquidity shortage.

The councillors, led by DSE chairman Rakibur Rahman, are expected to discuss four specific issues to overcome a short supply of fund in the ailing market which has been experiencing a bearish trend since later part of 1996.

"We want to hammer out ways from the series of meetings with the top government functionaries to revitalise the capital market," Rakibur Rahman told UNB by phone ahead of their planned meeting with the Bangladesh Bank governor.

The first issue which will be discussed is of channelling of funds from the banks to the investment institutions like Investment Corporation of Bangladesh (ICB), Bangladesh Shipila Bank (BSB) and Bangladesh Shipila Rin Sangstha (BSRS).

The councillors will also seek funds for the market players like the stock brokers. They will request the central bank governor to raise the existing ceiling of bank loan to the brokers from Tk 50 lakh to Tk one crore.

Chinese currency devaluation unlikely

BEIJING, Jan 7: China will not devalue its currency to boost its export competitiveness against other Asian countries that have already seen the value of their currencies plunge in recent market turmoil, and official report said Wednesday, reports AP.

The Chinese export boom is based on higher efficiency and improved quality, rather than lower prices, the newspaper China Daily quoted an unnamed "authoritative source" as saying.

The financial crisis throughout Asia has prompted speculation that China will also be obliged to devalue the yuan, despite controls that prevent speculative attacks on the currency.

Chinese officials, and the state-run media, have sought to reinforce confidence in the stability of the yuan, also known as the renminbi. The government has pledged even tighter foreign exchange limits and launched a probe of several institutions and individuals said to be suspected of illegal currency deals.

"The world market should maintain its confidence in the renminbi rate's stability," the front-page China Daily report said.

Rupiah, ringgit, Filipino peso crash to historic lows

JAKARTA, Jan 7: With no end in sight for Asia's troubled economies, currencies in Indonesia, Malaysia and the Philippines crashed to historic lows against the US dollar Wednesday, reports AP.

Indonesia led the plunge when the rupiah fell to 8,400 against the dollar in early trading as markets reacted negatively to the government's 1998 budget, announced by President Suharto on Tuesday night. The rupiah was trading at around 7,100 late Tuesday.

The government had hoped the budget would instill confidence, but dealers were unconvinced.

"In general, I think the market was disappointed with the budget, seeing it as unrealistic," said a dealer with one US bank in Jakarta.

The rupiah recovered slightly later in the day.

Nevertheless, some market participants said they had wanted to see more stringent economic reforms announced in line with demands by the International Monetary Fund, which has put together a 40 billion dollars rescue package from Indonesia.

By law the budget has to be balanced, although officials said the government is on track for a fiscal surplus of one per cent of gross domestic product — a requirement laid down by the IMF.

Others were concerned that budget calculations had been based on an exchange rate of 4,000 rupiah to one dollar — twice that now being offered in the market.

The Malaysian ringgit plunged to 4,575 to the dollar from the 4,355 quoted late Tuesday.

Bankers said the currency was expected to dip further in coming days, partly amid fears that the economy is in a worse state than previously thought.

The Philippine peso fell to a record low of 46.50 to the dollars as the government said it was seeking a 200 million dollar loan from the Asian Development Bank and 300 million dollars to 400 million dollars from the World Bank to replace foreign reserves used up defending the currency in recent months.

The Philippine central bank's reserves have fallen to nine billion dollars from a record high of 12 billion dollars in March, mainly because of its costly unsuccessful attempt to prevent the peso from falling.

The Thai baht continued to drop in domestic and offshore spot trading in the wake of the record lows for the currencies of neighbouring economies.

In afternoon trading, the baht was quoted at 53.2 to the dollar in the domestic spot market, falling from 52.15 at the close of trade Tuesday.

Singapore's dollar fell to its lowest point against US dollar in more than six years and the country's de facto central bank said it would block any attempts by speculators to destabilise the currency.

The US currency was quoted briefly at Singapore dollars 1.7890, its highest point since June 19, 1991.

The South Korean won rose slightly to 1,730 against the dollar, up from 1,742 at Tuesday's close, but the currency later slid to 1,780 amid persistent concern about the country's ability to pay its short-term foreign debts, dealers said.

SEA crisis may hit future Bangladeshi exports: Kibria

Finance Minister Shah A M S Kibria said Bangladesh has so far managed to protect itself from the economic turmoil in the Southeast Asia, but its future exports may feel the impact of the crisis, reports UNB.

The long-term prospect of export may be affected by the changes in exchange rates in Southeast and East Asian countries as their competitiveness is increasing as a result of devaluation, he said.

In an interview with UNB yesterday, Kibria said exports during the first five months of fiscal 1997-98 has been rising "vigorously" with a growth of 20.18 per cent over the same period in last fiscal year.

"Since most of the exports go to Europe and North America, I expect the growth momentum to continue and remain unaffected by the Asian economic crisis," he said about the short-term export prospect.

Cautioning about a possible slowdown in the long-term export prospect due to the massive devaluation caused by the currency crisis in Southeast Asia, he said, "We have to remain vigilant in this respect."

The finance minister, who mainly spoke on the economic condition during the first six months of the current fiscal, said the economy has been relatively stable with strong growth in the export sector.

This is in sharp contrast to the severe economic crisis prevailing in many parts of Asia. Bangladesh has been able to stay out of the wave of economic disasters which have hit the Southeast and East Asian nations.

Kibria said the inflation rate has been generally low at 4.67 per cent in November, though there has been slight increase in recent months. Imports have also not increased significantly, he added.

The finance minister said remittances were growing, but at a rate less than last year's. During the July-November period, the inflow of remittances was 625.17 million US dollars against 580.74 million dollars in the same period of last year.

The disbursement of foreign aid has grown during the period by 2.18 per cent mainly because there has been a decrease in food aid, he said.

Kibria informed that the foreign exchange reserve was 1662.09 million US dollars on December 30 and said the main reason of the low reserve was the payment of loans under SAF and ESAF taken by the previous government.

"However, I am hopeful that the reserve will be rising in the coming months, though the rise may be slow," he said. Replying to a question, he said the basis of his hope is a higher export growth and lower imports.

The domestic credit growth during July-October period was 15.06 per cent. The net credit growth to the government was 13.49 per cent and to the private sector 17.20 per cent, he said.

"The growth was quite good."

Borrowing from the Bangladesh Bank decreased by 3.51 per cent over the year, the minister said adding that the government has paid back some Tk 900 crore to the central bank during the period.

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Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 7th Jan '98.

Buying			
Name of Currency	TT Clean	OD Sight Export Bills	OD Transfer
US Dlr	45.2800	45.1100	45.0100
GB Pound	72.9868	72.7428	72.5516
D Mark	24.5417	24.4495	24.3953
F Franc	7.3322	7.3047	7.2885
C Dlr	31.3962	31.2784	31.2090
S Franc	30.3391	30.2252	30.1582
JP Yen	0.3349	0.3337	0.3329

Selling			
Name of Currency	T.T. & O.D.	B.C.	
US Dollar	45.6595	45.6990	
GB Pound	74.1991	74.2633	
D Mark	25.0002	25.0218	
F Franc	7.4716	7.4781	
C Dollar	31.9887	32.0164	
S Franc	30.9634	30.9902	
JP Yen	0.3446	0.3449	

A) TT (DOC) US Dollar Spot Buying Tk 45.1950

B) Usance Rate

	30	60	90	120	180
Days	Days	Days	Days	Days	Days
48.8140	44.4373	44.0600	43.6828	42.8280	

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

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 07/01/98.

Buying			
Name of Currency	TT Clean	OD Sight Export Bills	OD Transfer
US Dlr	45.2850	45.0991	44.9884
GB Pound	72.9972	72.6891	72.5107
D Mark	24.5411	24.4376	24.3776
FR Franc	7.3328	7.3018	7.2839
JP Yen	0.3366	0.3351	0.3343
C Dlr	31.4007	31.2682	31.1914
S Franc	30.3434	30.2154	30.1412

Janata Bank's selling and buying rates in cash currency for public:

Exchange Rates

Standard & Chartered

Effective on January 7

Central Bank USD/BDT Rate: Buying-BDT 45.30/Selling-BDT 45.60

Selling TT/OD	BC	Currency	TT Clean	Buying OD Sight Doc	OD Transfer
45.6600	45.7000	USD	45.2600	45.0850	44.9850
74.4715	74.5367	GBP	72.9139	72.6320	72.4734
24.9918	25.0137	DEM	24.5046	24.4099	24.3171
0.3441	0.3444	JPY	0.3360	0.3347	0.3340
30.9769	31.0041	CHF	30.2945	30.1774	30.0512
22.1650	22.1845	NLG	21.7596	21.6755	21.5970
25.9284	25.9512	SGD	25.3557	25.2577	25.1603
7.4510	7.4576	FRF	7.3343	7.3059	7.2865
32.2914	32.3197	CAD	31.5621	31.4400	31.3059
5.6510	5.6559	SEK	5.5466	5.5251	5.5110
29.4050	29.4308	AUD	28.2422	28.1330	27.9367
26.1632	26.1861	NZD	25.0288	24.9320	24.7426
5.8992	5.9044	HKD	5.8250	5.8024	5.7875

USANCE EXPORT BILLS

TT DOC 30 DAYS 60 DAYS 90 DAYS 120 DAYS 180 DAYS

45.1654 44.8828 44.5057 44.0719 43.6005 42.5444

US DOLLAR

BUYING 1 MONTH 3 MONTHS 6 MONTHS 12 MONTHS

Cash 45.20 45.75 USD 5.6607 5.7185 5.7500 5.8120

Notes 45.05 45.65 GBP 7.5000 7.6209 7.6200 7.6200

EXCHANGE RATES OF SOME ASIAN CURRENCIES AGAINST US DOLLAR

INDIAN RUPEE	PAK RUPEE	THAI BAHT	MALAYSIAN RINGGIT	INDONESIA RUPIAH	PHILIPPINE PESO
39.35/39.60	44.06	52.85/53.00	4.5900/4.6000	8050/8250	45.20/45.80

MARKET COMMENTARY

In the local foreign exchange market demand for US Dollar rose slightly due to import payments. Corporate bodies were showing keen interest in hedging their exchange risks through purchase of foreign exchange forward cover contracts due to concerns for further downward adjustment of Taka against USD on back of depreciating South East Asian currencies. Today, in the interbank market USD ranged between BDT45.31 and BDT45.33. The call money market was very active and call money rate ranged between 6 pc and 7 pc.



Sabur Ahmed, General Manager of Rangs Electronics Ltd, inaugurated the company's 31st sales and service centre in Mymensingh recently.

Dubai remains top gold trading centre in '97

DUBAI, Jan 7: The Gulf Emirate of Dubai remained the world's top gold trading centre in 1997 as a surge in regional demand boosted imports of the precious metal to an all-time high, officials said yesterday, reports AFP.

Gold purchases by the Gulf's main commercial centre jumped by nearly 85 per cent to an estimated 650 tonnes in 1997 from 350 tonnes in 1996, according to World Gold Council (WGC) figures.

Imports could reach 1,000 by the turn of the century, the WGC estimates.

"The main reason for this large increase is a surge in demand in India and other countries in the Middle East," said WGC's Planning and Finance Department for the Middle East and India.

Rangs Electronics opens sales centre in Mymensingh

Rangs Electronics Limited has opened its 31st sales and service centre at 29, Rambabu Road in Mymensingh recently, under its expansion and better customer service programme of 1997-98, says a press release.

The centre was inaugurated by Sabur Ahmed, General Manager, Rangs Electronics Ltd — the sole authorised Distributor of Sony Audio-Video, AIWA Audio-Video and the Manufacturer of Rangs products in the country.

Chairman of Mymensingh Pourashava, other elite of the town, Boduzzaman, local representative of Rangs Electronics Limited, Masud Ali Khan, Manager-Admn, T K Roy, Manager-Accounts, S Iqbal Khan, Manager-Service, Wahidur Rahman, Area Sales Manager, Dhaka, Senior Marketing Executive, Marketing Executive, Sales Executives and the local elite of Mymensingh were also present.

Representatives from Sony International are currently visiting Bangladesh with a view to giving logistic support to the special marketing programme of Rangs Electronics Ltd and extending better after-sales services to the people of the country.



A delegation of the Board of Directors of the Dhaka Chamber of Commerce and Industry led by its President R Maksud Khan (2nd-L) called on S A M S Kibria (L), Minister for Finance, at his office yesterday. They discussed various issues relating to trade, commerce and economic development of the country. DCCI senior Vice-President, Masudur Rahman (3rd-L) and Vice-President Zafar Osman (4th-L), are also seen.

Jakarta unveils austere budget to meet crisis

JAKARTA, Jan 7: Indonesian President Suharto yesterday unveiled an austere budget with increases held to 32.1 per cent overall for fiscal 1998/99 starting April and economic growth projected at only four per cent, reports AFP.

The draft budget announced by Suharto to parliament, balanced revenues and expenditures at 133,491.9 billion rupiah (18.5 billion dollars) or up 32.1 per cent in rupiah terms but down 52 per cent in dollar terms.

"The draft state budget is aimed at overcoming the monetary crisis, expenditures truly must be restricted to the most essentials while efforts are made to increase revenues," Suharto said.

The budget was contradictory, finance minister Mar'ie Muhammad said at a press briefing earlier Tuesday.

Development expenditure rose to 41.1 trillion rupiah (10.3 billion dollars) or 5.6 per cent in rupiah terms.

Suharto said the budget was based on an oil price average of 17 dollars per barrel compared to the 16.5 dollars in the present budget and a rupiah exchange rate of 4,000 rupiah to the dollar.

"We have taken into consideration the developments of the

currencies of other countries in our region and in several other countries," Suharto said adding that "on this basis, an exchange rate of 4,000 rupiah to the dollar is used in drafting the current state budget."

The rupiah has drastically fallen from July's 2,450 rupiah to the dollar to 7,350 rupiah earlier Tuesday.

Muhammad said that the 4,000 rupiah figure was an "average during the upcoming budget year which makes sense." He said that negative market sentiment had overshoot the rupiah "but this is only a short term symptom that is not only happening in Indonesia... this cannot go on like this."

Budiono, a Director of the central bank, told the budget briefing that "we are making our hardest efforts to reach the exchange rate which was set (at 4,000 rupiah to the dollar)."

Revenues from the oil and gas sector stood at 27,286.4 billion rupiah (6.8 billion dollars) or 83.5 per cent up compared to those in the current budget but Muhammad said that it was mainly "boosted by higher exchange rates."

Oil and gas revenues will account for 25.3 per cent of domestic revenues compared to 16.9 per cent in the current budget.

11m Chinese may lose jobs this yr

BEIJING, Jan 7: The prestigious Chinese Academy of Social Sciences (CASS) has predicted in a new report that 11 million Chinese will lose their jobs this year, the official Xinhua news agency reported yesterday, says AFP.

The otherwise sunny forecast for 1998, put together by leading economists and sociologists, concluded that unemployment would be China's "biggest headache" during the year.

Economic growth will maintain a high rate, and sharp price increases will not occur, the report said, predicting that the private and service sectors will see rapid growth.

The government has identified market reforms of the largely inefficient state sector — which employs close to 110 million urban residents — as its top priority for the year.

Efforts to convert heavily overstaffed state-owned enterprises into competitive, profitable companies are expected to force lay-offs in the tens of millions.

Reports of worker unrest has been on the rise in recent months, as fast-growing unemployment shakes social stability.

The CASS forecast comes on the heels of a ministry of railways announcement on Sunday that the railways sector will shed 1.1 million jobs in the next two years.