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HYUNDAI

CARS THAT MAKE SENSE

Nooruddin says Gas, power situation to improve soon

Power, Energy and Mineral Resources Minister Nooruddin Khan said that the government was working ceaselessly to overcome the current shortage of power and energy, reports BSS.

He expressed the hope that the gas and power situation would improve remarkably soon, according to an official handout.

The minister was speaking at the introductory meeting of newly appointed State Minister for Power, Energy and Mineral Resources, prof Rafiqul Islam with the officials of the ministry at its conference room.

Speaking on the occasion, the state minister sought co-operation of the officials and employees of the ministry through their hard work and sincerity.

Target set to earn Tk 22cr through dredging

NARAYANGANJ, Jan 11: The government has set a target to earn a revenue of Taka 22 crore through dredging during the current financial year 1997-98 against Taka 21 crore last year, it was officially learnt, says BSS.

Dredger Directorate sources said, higher earnings are possible in this sector if the present fleet of dredgers are renovated and modernised to cater to the growing demand of dredging to maintain the navigability and to regulate the motion of the silted rivers in the country.

Referring to the rate of siltation, Superintending Engineer Motiur Rahman told BSS that about 24,000 million tons of silt is being deposited on the river bed every year, posing a serious dislocation in the riverine communication.

The Dredger Directorate, a concern of Bangladesh Water Development Board (BWDB), has 27 dredges in its fleet.

Of the fleet, eleven are 18 inches delivery diameter having 1500 horsepower each, while 16 are 12 inches delivery diameter with 500 horsepower each.

The total dredging cubic capacity is about 39 lakh cubic meter of earth in the year, the sources said.

Only one dredger 'Sangu' is lying idle for major repair works at dredger base workshop for the last four years due to non-availability of spare parts and financial constraint.

The sources said that the dredgers, which are now in operation in different parts of the country including Aricha, Chittagong port, Khulna, Kachpur, Ghorasal, Chandpur, Shariatpur, Bheramara, and Paksey often suffer from mechanical breakdown due to its worn-out and dilapidated condition.

These dredgers were procured during the year 1950, 60, 70 and 80 under foreign assistance.

The source said the directorate can not cope with the growing requirement of dredging during the dry season, sought by different government organisations and agencies including Bangladesh Water Development Board (BWDB), Bangladesh Inland Water Transport Authority (BIWTA), Bangladesh Small and Cottage Industries Corporation (BSCIC), Chittagong Port Authority and other foreign firms.

Car sales in Japan decline

TOKYO, Jan 11: Sales of new cars, buses and trucks in Japan fell almost five per cent in 1997, the first decline in four years, the Japan Automobile Dealers' Association said Monday, reports AP.

Sluggishness in the broader economy has chilled demand for cars and other big-ticket items, and buying was further discouraged by an April increase in Japan's national sales tax to five per cent from three per cent.

Sales surged in 1996 ahead of the sales tax increase and then plummeted.

A total of 5.11 million vehicles were sold in Japan last year, down 4.9 per cent from the previous year, the association said.

Sales by Toyota Motor Corp., Japan's leading automaker, fell 5.4 per cent in 1997 to 1.99 million vehicles. Nissan Motor Co's sales declined 5.9 per cent to 1.03 million, while sales at Mitsubishi Motors Corp. shrank 11.8 per cent to 420,544. But sales rose 3 per cent at Honda Motor Co., to 555,581, and 2.9 per cent at Mazda Motor Corp., to 293,534.

DSE sets out agenda to finish automation

By M Shamsur Rahman

Faced with the SEC deadline to go on-line by March, the DSE authorities are hurrying up to finish the automation work, but the contractor doing the job says it could be a difficult task.

A six-member DSE task force, headed by councillor Yusuf Abdullah Harun who is also FBCCI president, will meet Tandem officials later this week to sort out issues hindering the process.

The task force, formed December 29 to deal with the already-delayed automation process, came up with a set of recommendations, approved by the new DSE Council which is desperately trying to revive the bearish market.

One of the key agenda for both market operators and regulators has been to instil confidence among investors. They say automation will to a large extent ensure transparency, which in turn will help confidence-building efforts.

"The committee has submitted its report and we gave them green signal to proceed. The committee has been given permission to work with Tandem to gear up the process," said the DSE chairman Md Rakibur Rahman.

But Tandem sources said it will be very difficult for the firm to finish the work by March.

"The automation work is done in phases and we are al-

ready behind schedule. The DSE officials have changed their minds very often," one source said.

The previous Council, which acted as an interim one after its chairman had been removed in May last year, formed a committee to study the details. "Now there is a new Council which will go its own way," the source pointed out. "However, we are looking forward to working with this Council which has a very positive attitude."

The Securities and Exchange Commission (SEC) gave DSE a deadline to finish automation process and go on line by March 31, failing which the bourse will face legal action.

Korea's crisis won't hit its business in Bangladesh

South Korean Ambassador to Bangladesh Toe Kyu Han yesterday said the present economic crisis in his country would not affect the Korean investment in Bangladesh, reports UNB.

His assurance came from a meeting with Executive Chairman of Board of Investment (BOI) Farooq Sobhan.

"Frequent interaction with foreign investors in general and the South Korean investors in particular will make their lives more comfortable and easier here," Kyu Han said expressing satisfaction over the services rendered by the BOI to his country's investors.

Toe Kyu pointed out that the prevailing friendly investment climate of Bangladesh will easily attract more Korean investors in near future. "Relocation of South Korean industries to Bangladesh is under active consideration of the Korean entrepreneurs."

BOI Executive Chairman apprised the Ambassador of shifting of BOI to a new premises and future investment promotion programmes.

Referring to the of "Korea Desk" in BOI to look after the Korean investment, he hoped that the relationship with Korea in economic and investment co-operation will be strengthened further.

Eighteen industrial projects with South Korean investment registered with BOI during July-December, 1997 with proposed investment of Tk 2,692,986 million.

SIBL's new scheme
Star Business Report

Social Investment Bank Ltd (SIBL) is going to introduce the Cash Waqf Certificate Scheme in the process of organizing what it calls Voluntary Sector Capital Market operation for the first time in the history of banking.

SIBL chairman Prof. Dr. MA Mannan will unfold the 'Cash Waqf Certificate Scheme' at a ceremony today at 4.00 pm at Jalsagar, Hotel Purbani International, Dhaka.

Rural credit programme of Janata Bank

Star Business Report

Janata Bank has geared up disbursement of rural credit to achieve the target of Tk 250 crore during the current fiscal year.

The bank has allocated Tk 110 crore as crop loan, Tk 50 crore for establishing dairy, poultry, fisheries farms and preservation and processing of products.

In addition to these, Tk 15 crore has been allocated for pond fisheries and other agricultural equipment.

Meanwhile, Tk 40 crore have been disbursed as crop loan, according to a press release of the bank.

An amount of Tk 75 crore has been earmarked for on-going potato, wheat, borro, pulses and other crops.

The bank has allocated an amount of Tk 75 crore for poverty alleviation programme.

In addition to its own rural poor programme, the bank is extending credit to the rural poor in association with the non-government organisations.

So far, the bank has disbursed Tk 15 crore under poverty alleviation programme.



A Czech-built 18 seater aeroplane of the Air Parabat, the second private airline, standing on its bay at Tejgaon airport before taking off in a special flight. The airline officials, Juglul Karim, Director, and Air Vice Marshal (rtd) AK Khandaker, Chairman, (fourth and fifth from left), are seen before the aircraft.

— Star photo

Asian crisis may have little impact on Euro firms

LONDON, Jan 11: Many European exporters have been hit as Asian currencies have nosedived, decimating the region's purchasing power, but most are confident that both market calm and Far East buyers will return, reports Reuters.

Among the hardest hit have been companies selling into Asia's need to build up its fledgling infrastructure and those that have found a niche catering to the demand of Asia's new rich for brand-name luxuries.

But most European firms are sanguine about the long-term prospects for exports to the region, although some say profits will suffer in the near-term and growth targets may have to be scaled back.

In Norway, one of the biggest companies vulnerable to the Asia crunch is Engineering Giant Kvaerner (Kviva, OL), which had a goal of achieving 50 per cent of its turnover in Asia by the year 2000. Kvaerner has said the figure may now be closer to 40 per cent.

Norwegian explosives maker Dyno Industrier (Dy 10.0), which earned 23 per cent of 1996 operating revenues from the Asia-Pacific region, predicted last month that Asia's economies could rebound once reforms were in place.

French industries most likely to be hit by tightening credit lines to Far East buyers were mainly large project exporters, such as nuclear power plant manufacturers.

But these are not the only vulnerable firms. Some anticipation of the impact of the crisis has focused on luxury goods exporters such as Lvmh (Lvmh, PA). The firm said it still saw more expansion in Asia.

Metals producers such as Nickel Group Eramet (Ermt, PA) and Steelmaker Usinor (Usin, PA) were expected to be affected, along with retail group Carrefour (Carr, PA), which broad international exposure.

Microchip group SGS Thomson (STM, PA) has suffered from fears currency devaluation for Asian chipmakers would damage its competitive position.

If the situation remains unstable, analysts said the next targets could be in auto industry supplies. Valeo (Vlof, PA) has already sounded a cautious note.

With Asia-linked worries eating away at European sugar markets on Wednesday, French sugar suppliers, including Eridania Beghin (Fbsp, PA), may come under pressure.

Swiss companies have generally played down the impact

of Asia troubles, although the stock market has punished many companies that do a significant amount of business there.

Cable producer Nokia-Mallfer (Maiz, S) warned last month the Asia crisis would weigh on 1998 sales, triggering down grades by some analysts and a slide in its share price.

Swiss-Swedish engineering giant ABB has been hit by the delay of the Bakun dam project in Malaysia.

But luxury goods makers such as Richemont (Rifz, S) and SMH (SMHZ, S) have expressed confidence they will not sustain major damage from the crisis. Cement company Holderbank (Holz, S) said the market had overestimated its potential exposure to Asia.

Nestle (Neszn, S) said in November it saw no long-term impact on its business from Asian monetary turbulence.

In the Netherlands, companies have been reluctant to comment on the effects of the Asian currency turbulence with results due in the next few weeks.

However, trading company Hagemeyer (Hafn AS) said this week it anticipated a negative effect of "some percent" on turnover and profit growth, with 25 per cent of turnover from Asia.

ABN Amro saw little impact, estimating only 4.5 per cent of Dutch exports were Asia-bound. However, direct investment at five percent of total outward flows — based on 1994 figures — was high by European standards.

Some firms were even looking for cheap acquisitions. This week, retailer Ahold (Ahlh, AS) said it was acquiring 22 supermarkets in Shanghai from Japan's ailing Yaohan Group (8198.T).

Exchange Rates

Effective on January 11
Central Bank USD/BDT Rate: Buying-BDT 45.30/
Selling-BDT 45.60

Selling		Buying	
TT/OD	IC	TT Clean	OD Sight Doc
45.6600	45.7000	45.2600	45.0850
74.1518	74.2168	72.5518	72.7213
25.1987	25.2208	24.7052	24.6097
0.3485	0.3489	0.3403	0.3390
31.1247	31.1520	30.4371	30.3194
22.3386	22.3581	21.9283	21.8435
25.8697	25.8924	25.3557	25.2577
7.5086	7.5152	7.3942	7.3656
32.1549	32.1831	31.4306	31.3090
5.7290	5.7340	5.6364	5.6146
29.8616	29.8878	28.6948	28.5839
9.9261	9.9348	9.7333	9.6957
5.9038	5.9090	5.8370	5.8144
12.2413	12.2520	12.0053	11.9589

US. Dollar		Libor	
Buying	Selling	1 Month	3 Months
Cash	45.20	5	5
Notes	45.75	5	5
TC	45.05	5	5

Exchange Rates of Some Asian Currencies Against US Dollars	
Indian Rupee	Pak Rupee
39.60/36.90	44.006
54.05/54.40	4.6205/4.6300

Market Commentary
Today, in the local foreign exchange market demand for US Dollar is expected to remain steady. The corporate clients may book some foreign currency forward cover contracts, mainly in USD, to hedge their exchange risks against import payments. In the interbank market USD is expected to range between BDT 45.31 and BDT 45.34. The call money market is expected to remain steady and range between 6 pc and 7 pc.

The international foreign exchange markets are closed today on weekend. In New York closing on last Friday USD maintained its bullish tone against major currencies due to financial crisis in South East Asia. However, dollar's rise was stalled by concerns of central bank interventions. USD closed at 131.98 and 132.08 against Yen. 1.8215/25 against DEM, while GBP closed at 1.6123/33.

VEGETABLE OILS: Flowing. The Malaysian palm oil market was much stronger after the ringgit's plunge in value, which sparked a wave of buying.

GRAINS: Fall. The European market leapt on demand from Iraq for 120,000 tonnes of French wheat and 120,000 tonnes of US wheat, but the dominant US market focused on the turbulent economic situation in East Asia, where the plunge in currencies could spark a drop in demand for grains.

The Chicago Board of Trade price fell by nine cents to 3.20 dollars a bushel (27.2 kilograms for delivery in March) after the US Department of Agriculture released figures showing poor export figures.

COTTON: Lower. Cotton prices were driven down by the fall in demand in Asia and a confirmation of a drop in Chinese imports in 1998, traders said.

With supply plentiful, producers were also reluctant to put their new production on what they considered a poor seller's market. Prices on the cotton outlook index fell five cents to 73.10 cents.

Japan seeking debt guarantee

TOKYO, Jan 11: Japan is proposing a scheme to enable international lending agencies to guarantee debts held by governments and central banks of countries plagued by currency turmoil, a press report said yesterday, reports AFP.

The programme is expected to be taken up at a meeting of finance ministers and central bankers from the Group of Seven (G7) industrial countries in London on February 21, the Nihon Keizai Shimbun said.

It is designed to help countries like South Korea which have difficulty in obtaining foreign currency due to a rapid loss in the credit standings, the leading economic daily said.

The idea of involving international lending institutions, such as the World Bank and the Asian Development Bank has been circulated among the United States and major European nations, the report said.

Under the programme, Japanese, US and European creditor banks may urge the South Korean government to issue medium- and long term bonds worth about 20 billion dollars to shoulder the nations private bank debts.

Such a bond issue will be a condition for the creditor banks to roll over existing short-term loans to the South Korean banks, the report said.

International institutions will then guarantee the repayment of such bonds, a mechanism expected to stem the outflow of foreign capital and attract new capital, the newspaper said.

At present, loan guarantees by international lending agencies are limited to those for economic development projects.

Workshop on solar technology ends

The two-day workshop on "solar technology for everyday use" concluded in the city yesterday with emphasis on the need for a cost effective dryer which would be adjustable to the day-to-day life as well as the climate, reports BSS.

Participants at the workshop also highlighted the importance of solar dryer, solar heating and other applications of solar energy which would be the most beneficial for the industrialised as well as the developing countries of the world.

Minister for Energy and Mineral Resources Noor Uddin Khan inaugurated the workshop on Saturday, as many as 153 participants from government and non-government agencies and various research institutions took part in the business sessions of the two-day workshop.

Anando, a non-government organisation engaged in promoting culture and youth resources development, organised the workshop.

Iran buying 27 new ships

TEHRAN, Jan 11: Iran is buying 27 new multi-purpose, container and passenger ships worth 700-800 million dollar from countries including China and South Korea, the head of Iran's shipping company said on Saturday, reports Reuters.

"Contracts have been concluded with a South Korean company for the purchase of six 22,000-tonne multi-purpose ships," the official news agency Irna quoted Managing Director Ahmad Mohammadi as saying.

The first of the vessels will be delivered in June.

"Five more 22,000-tonne multi-purpose ships would be purchased from China, with the first one being delivered in January, 1999," the agency quoted him as saying.

Mohammadi said contracts would soon be signed with the Persian Gulf Ship Building Company for the manufacture of six 22,000-tonne ships.

Four additional 73,000-tonne cargo ships would be purchased from South Korea and four 22,000-tonne container ships from Croatia, he said.

He did not say where Iran would obtain the remaining two ships.

Mohammadi said Iran owned 110 ships, 76 of them ocean-going.

Inflation in Philippines decreases

MANILA, Jan 11: Surprisingly moderate food price increases dampened inflation in the Philippines in December, but economists say they expect the weaker peso, higher interest rates and the El Nino weather phenomenon will spur inflation over the first half of this year, reports AP.

The government announced Monday that the consumer price index was up 6.1 per cent in December compared to a year earlier.

This brought last year's average inflation rate to 5.1 per cent compared to 8.4 per cent in 1996, enabling the government to comfortably meet its 1997 inflation target of 6.0 per cent to 6.5 per cent. Inflation in November registered 6.5 per cent year-to-year.

Commodity market: Gold, oil fall; tea strengthens

LONDON, Jan 11: Asia's financial turbulence wreaked havoc with the commodities markets this week, as economic instability and an expected slump in growth rates there ravaged consumption of metals and edible goods, reports AFP.

Sharp losses in regional currencies, such as the Indonesian rupiah, which tumbled below 10,000 rupiahs to the dollar during the week, set alarm bells ringing in dealing rooms across the city of London.

Dealers forecast that the reduced buying power from the region that was formerly a key consumer of metals and other commodities would hit demand for a long time to come.

A slump on regional stock exchanges added to the downbeat prognosis of western market-watchers.

The turmoil knocked gold prices down to their lowest level since mid-1979 and base metal prices also slumped to their lowest levels for several years.

US soy and sugar prices also caught the eastern bug as the yen fell sharply against the dollar.

Crude oil prices plummeted in the wake of a resumption of Iraqi exports after a month-long pause.

GOLD: Meltdown. Gold

plunged to an 18-1/2 years low this week on the London bullion market in reaction to the financial turmoil in east Asian markets.

Prices slumped below 280 dollars per ounce at one point, but recovered slightly to 280.45 dollars at the end of the week, far below the 289.15 dollars recorded last week. The gold market was affected by the fall in Asian stock markets and sharp losses in currencies across the region.

COPPER: Dull. Copper prices fell sharply over the week under pressure from the Asian financial crisis and an increase in reserves on the London metal exchange.

The three-month copper price sank 78.5 dollars to 1,674.5 dollars, the lowest level since December 1993.

LEAD: Shiny. Prices rose slightly after a tightening in supplies and a small fall in LME stocks to 111,325 tonnes, down 300 tonnes.

The lead three-month price rose 26.5 dollars to 581.50 dollars a tonne.

ZINC: Weakened. Zinc prices fell due to the Asian financial crisis, despite a small fall in LME reserves.

The three-month price of zinc fell 3.5 dollars to 1,109.50

dollars. LME reserves were down 1,750 tonnes at 489,850 tonnes.

ALUMINIUM: Lighter. Aluminium prices fell amid heightened turmoil across southeast Asia, where regional currencies slumped further this week.

Prices slumped below 280 dollars per ounce at one point, but recovered slightly to 280.45 dollars at the end of the week, far below the 289.15 dollars recorded last week. The gold market was affected by the fall in Asian stock markets and sharp losses in currencies across the region.

NICKEL: Meltdown. Nickel prices fell to their lowest point since August 1994 as demand from the troubled economies of Southeast Asia ran dry this week.

Three-month prices fell by 80 dollars to 1,490 dollars per tonne.

TIN: Tumble. Tin prices tumbled under the weight of increased stocks of the metal held in LME warehouses and persistent concern over devaluation of east Asian currencies, which threatens to further erode demand from the region.

Three-month prices fell by 157.5 dollars to 5,257.5 dollars per tonne.

SILVER: Stable. Silver prices closed at almost the same level as last week, after a sharp rise

earlier in the week was reversed amid rumours of legal proceedings to be launched against dealers embroiled in a price fixing ring.

Prices closed at 6.04 dollars per ounce from 6.03 dollars last week.

PLATINUM AND PALLADIUM: Sparkling. The price of these two metals rose a little higher, still as supplies from Russia, by far the biggest producer of the metals, have been held back from the market so far this year. Shipments were suspended for several months in 1997.

WOOL: Down. Despite heavy trading, with almost 80 per cent of offered wool sold, the Bradford price fell sharply to 380 pence a kilogram, down nine pence.

In Australia, the eastern index lost 15 cents to 6.83 Australian dollars a kilogram, amid a fall in demand and rise in stocks.

OIL: Flooded. Oil prices fell sharply as Iraq was given the green light to renew exports of crude under a United Nations (UN) oil-for-food deal.

Brent North Sea oil, the benchmark for the commodity, fell below the 16-dollar barrier to 15.73 dollars a barrel, down 81 cents. Prices were at this low

level in October 1995.