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# The Daily Star BUSINESS

DHAKA TUESDAY, JANUARY 13, 1998



**HYUNDAI**

CARS THAT MAKE SENSE

## Dhaka to receive Tk 31cr Canadian grant for agri market project

Bangladesh will receive Taka 31 crore as grant from Canada for agricultural market development project under a memorandum of understanding signed here yesterday, reports BSS.

The project having an allocation of Taka 40.72 crore will be executed by the Ministry of Agriculture during July 1997 to June 2002 period, an official handout said.

After implementation the project will enhance net returns to farmers from agricultural production through diversified production system and getting market alternatives.

The project will also increase the post-harvest opportunities and integrate the farmers with the markets.

This will also allow them to be empowered and reduced dependency on a public extension system, said the handout.

Secretary of Economic Relations Division (ERD) Dr Mashiur Rahman and Canadian High Commissioner to Bangladesh Nicholas Etheridge signed the MOU on behalf of their respective governments.

## EU chief urges Japan to help pull Asia out of crisis

TOKYO, Jan 12: The president of the European Union urged Japan on Monday to stimulate its domestic economy as a way of helping alleviate Asia's economic and financial crisis, reports AP.

Japan needs to boost its domestic demand so that the country can increase imports from Asia, Europe and the world, said Jacques Santer, in Tokyo to meet Japanese officials.

Santer, president of the 20-member European Commission, also stressed Japan should take steps to stabilise its shaky financial system and keep deregulating its economy.

Santer praised the Japanese government's economic stimulus package, compiled at the end of last year, as "a step in the right direction" for both its sluggish economy and the rest of Asia.

Santer was scheduled to meet with Japanese Prime Minister Ryutaro Hashimoto later Monday in joint talks with visiting British Prime Minister Tony Blair. Britain currently holds the rotating presidency of the EU.

Japan should take (a) more eminent role in politics not only in Asia but in the world," said Santer.

## New GM of Janata Bank

Md Lutfur Rahman is the new General Manager of Janata Bank in Chittagong, says a press release.

Prior to his present assignment, he was the Deputy General Manager of Sonali Bank.

He used to look after general advance, FSRP, computer and industrial credit division of Sonali Bank.

## Japan, Germany call for reforms in Indonesia

JAKARTA, Jan 12: The leaders of Japan and Germany both telephoned their concerns Monday, adding to pressure on Indonesia to honour promises to reform its shattered economy under the terms of a multibillion-dollar international bailout, reports AP.

Japanese Prime Minister Ryutaro Hashimoto and German Chancellor Helmut Kohl both telephoned President Suharto about Indonesia's economic crisis and plunging currency, State Secretary Minister Mardiono said.

Murdiono, the government's main spokesman, gave no details of the conversations that followed talks between Suharto and the deputy chief of the International Monetary Fund, which put together the bailout plan.

President Bill Clinton stressed the need for reform in a telephone conversation with Suharto late last week, when the rupiah plunged to a record low. Australian Prime Minister John Howard did the same during the weekend.

IMF First Deputy Managing Director Stanley Fischer emerged from talks with Suharto Monday hopeful that Indonesia would soon announce strong reforms to restore market confidence.

He stressed, however, that much more work with Indonesian officials must be done in coming days to strengthen and accelerate the \$rs 40 billion IMF rescue programme financially backed by friendly governments.

# HK stocks tumble while US, IMF try to calm SEA turmoil

HONG KONG, Jan 12: As senior officials from the United States and the International Monetary Fund launched an emergency effort to calm East Asia's economic turmoil, Hong Kong's stock market became the latest victim, falling sharply Monday, reports AP.

Rattled by rising interest rates, reports that a major Hong Kong-based investment bank may shut down, and the sharp decline on Wall Street on Friday, the Hang Seng index had tumbled 10 per cent, or 905.77 points, to 7,988.87 by early afternoon.

Last week, the index dropped nearly 17 per cent.

A Hong Kong bank clerk, Chau Ho-yung, said his 70,000 Hong Kong dollar investment (8,970 dollars) was now worth about 10,000 Hong Kong dollars (1,282 dollars).

"I'm expecting the worst. I've lost everything, and I'm now

only holding on to a pile of waste paper," Chau said.

Share prices also were falling in Singapore, Japan, Taiwan, Malaysia and Australia.

But share prices were rising on the stock markets of two of the region's most troubled economies: Indonesia and South Korea.

In Hong Kong, the stock market was rattled by doubts over the future of Peregrine Investment Holdings Ltd, which surfaced when Zurich Centre Investments Ltd abandoned plans last week to take a 24 per cent stake in the troubled company.

Peregrine is heavily exposed in Indonesia, where it lent a substantial amount of money to a company whose ability to repay it was thrown into doubt following a massive decline last week in the value of the Indonesian currency, the rupiah.

On Friday, there was a sharp

decline on Wall Street because of growing concern over Asia's economic turmoil, which began last summer and has since forced the IMF to give large bailout loans to Thailand, Indonesia and South Korea.

In New York, the Dow Jones Industrial Average plummeted 2.82 per cent, or 220.20 points, closing Friday at 7,580.42, its fourth-worst single-session point loss in history.

Such concerns prompted Stanley Fischer, the IMF's first deputy managing director, to begin talks Sunday with officials in Indonesia on its 40 billion dollars IMF-led rescue package.

Last week, the bailout came close to stalling when the government unveiled a budget short of reforms the plan required.

But Fischer emerged from two hours of talks with President Suharto on Monday hopeful that Indonesia would soon

announce strong reforms to overcome its economic crisis.

"I expect that within a few days the government of Indonesia will show, in a very strong way, its commitment to carrying out the programme and undertaking a variety of measures that should restore confidence in the economy," Fischer said.

Also Monday, Deputy US Treasury Secretary Lawrence Summers was to arrive in Jakarta to stress the need for the sweeping reforms.

Summers, who also will visit Thailand, Malaysia, China, South Korea and Japan, began his journey in Singapore on Sunday.

Later this week, the IMF managing director, Michel Camdessus, and the US defence secretary, William Cohen, also will travel to Indonesia in an effort to bolster faith in its economy.

Such efforts appeared to be-

gin to pay off Monday when share prices rose on the Jakarta Stock Exchange in moderate trading. By the midday break, the composite index was up 8.971 points, or 2.6 per cent, at 351.761.

In Seoul, share prices on the Korea Stock Exchange closed higher on strong buying interest from local investors encouraged by continued bullishness by foreigners, analysts said.

The benchmark index closed at 456.20, up 15.42 points, or 2.43 per cent.

Camdessus's remarks today that he is satisfied with Korea's reform measures helped boost investors' sentiment, said Kang Sung-mo, an analyst at Hanjin Investment and Securities Co.

Upon arrival at Kimpo Airport, Camdessus said "yes" when asked whether he is content with reforms made so far by South Korea as conditions of the IMF's 57 billion dollar

bailout.

But prices fell on other stock exchanges in Asia Monday. In Tokyo, the 225-issue Nikkei Stock Average shed 330.66 points, or 2.21 per cent, closing at 14,664.44.

Taiwan's main stock index fell to a 10-week low at the close, plunging 362.06 points, or 4.7 per cent, to 7,375.14.

In Australia, the broadest market measure of share prices, the All Ordinaries Index, fell to its lowest level since late December, shedding 60.7 points, or 2.3 per cent, to 2,542.4.

At the end of the morning session in Singapore, the benchmark Straits Times Index was 104.69 lower at 1,071.66, breaching the 1,100 level. And in Malaysia, the Composite Index, which tracks share prices of 100 blue-chip stocks, was at 474.74, down 16.86 points, or 3.4 per cent.

## IOE launches new products

Star Business Report

International Office Equipment, which markets electronic and computer products in Bangladesh, yesterday introduced some American items on its list.

The new products include photocopiers, multi-media projectors and computers.

A short drive from the city's Motijheel commercial centre, where the main IOE office is located, lies its first well-decorated show room at Gulshan.

"This is for the first time we are introducing formally any US office equipment," said IOE chief executive officer Atif ul Islam.

Islam told The Daily Star that the US-made "bank note counting" machines had already become popular among the banks. Some 200 such machines, specially designed for Bangladesh's weather conditions, and able to count "wet" and "perforated" notes, are now being used by 26 banks in the country. Such note-counting machines occupy 75 per cent market share, he claimed.

At the ceremony at a local restaurant, Forrest E Cookson, president of the American Chamber of Commerce in Bangladesh (AmCham), Habibullah Khan former Information and Jute minister and also a former Bangladesh's High Commissioner to South Africa, and general manager of IOE Kamrul Islam also spoke.

IOE has also employed experts to ensure after-sales service round the clock.

Asked about the price competitiveness of the US products against those of the Japanese, Atif said some US products like Lanier photocopier were now available at prices reduced by 10 to 15 per cent.

"These are cheaper, because they are now being manufactured in Indonesia, Malaysia and other South East Asian countries," he said.

## Mosharraf visits BPC head office

Minister for Civil Aviation and Tourism Engineer Mosharraf Hossain yesterday called upon the officials and employees of Bangladesh Parjatan Corporation (BPC) to work hard for the development of tourism industry in the country, reports BSS.

On his first visit to the BPC head office after taking over as minister, Hossain said father of the nation Bangabandhu Sheikh Mujibur Rahman had first dreamt of development of tourism in Bangladesh in view of the vast potentiality in the tourism sector.

"Bangladesh has tremendous tourism potentials with eye-catching nature, vast sea beaches, Archaeological sites, monuments, rich cultural heritage and, above all, friendly people," he said.

The minister said Bangabandhu had first established the BPC in 1973 with a clear-cut planning to develop the tourism industry in Bangladesh but no substantial development took place in this sector after 1975.

Referring to gradual development in the tourism sector in the neighbouring countries, Engineer Mosharraf Hossain said the present government of Prime Minister Sheikh Hasina had given top importance to the development of tourism sector.

"We hope a remarkable progress would be made in tourism industry in Bangladesh during the tenure of the present government," he said.

## Japanese NGO gives Shapla Neer agri equipment, seeds

Star Business Report

A Japanese donor NGO, Japan FAO Association, handed over some agricultural equipment and vegetable seeds to a local NGO, Shapla Neer, here yesterday.

The equipment including minor irrigation pump, power tiller and improved variety of seeds was handed over by the Managing Director of Japan FAO Association, Y Furuya, at a function held at the head office of the local NGO, says a press release.

The equipment and supplies were purchased under the project 'Improvement of Household Food Security Through the Promotion of Community Based Self-help Farmers Groups'.

The project is funded by the Japan FAO Association, Tokyo through FAO with the total budget of Taka 2.4 million, which was donated by the people of Japan to assist poor Bangladeshi farmers to achieve food security.

The project will be implemented by Shapla Neer in collaboration with the Department of Agricultural Extension (DAE), Ministry of Agriculture in selected Thanas in Manikganj, Narasingdi and Mymensingh Districts.

At the ceremony, a message from T Yano, State Minister for Agriculture, Forestry and Fisheries, of Japan was delivered by T. Sudo, Md Abdul Awal, Additional Director, DAE, read out the message on behalf of the Director-General, Department of Agricultural Extension.



Lutfar Rahman Sarkar, Governor, Bangladesh Bank, presiding over a seminar on 'Central Bank Independence and Growth' organized by Bangladesh Bank Training Academy under Executive Development Programme at the Bank's conference room yesterday. Dr. Hafiz A. Akhand, Associate Professor, Department of Economics, University of Regina, Canada, presented the key-note paper at the seminar.

## Fisheries development Razzaq wants inter-ministerial consultation

Water Resources Minister Abdur Razzaq has underscored the need for inter-ministerial consultation to achieve sustainable fisheries development, reports BSS.

Inaugurating a two-day national seminar on proposed fourth fisheries project yesterday the minister said a number of diverse and complex problems confront the open water fisheries of Bangladesh which need to be addressed quickly by joint efforts of the concerned ministries and agencies.

He said over use of water for irrigation, unplanned construction of embankment for flood control, pollution from urban, industrial and agricultural run off, siltation of river and canal beds, over exploitation, destructive fishing practices and impediments in fish migration, are the major environmental constraints in fisheries development.

Jointly organised by the Department of Fisheries (DoF) and the World Bank, the seminar is being held at the Bangladesh Agricultural Research Council auditorium here.

The inaugural session was

also addressed by State Minister for Land Rashed Mosharraf, State Minister for Fisheries and Livestock Satish Chandra Roy, Country Director of World Bank Pierre Landell-Mills, Director General of DoF Liaquat Ali, team leader of proposed fourth fisheries project Shafiqul Alam, and Project Director M Nasir Uddin Ahmed.

Fisheries and Livestock Secretary Ayub Quadri was in the chair.

Abdur Razzaq assured full cooperation of his ministry for implementation of the proposed fourth fisheries project.

He said that 18 projects and 25 lakh hectares water bodies of water development board are being used for fisheries development by the community people living near the projects, under a memorandum of understanding signed between his ministry and the ministry of fisheries.

Referring to the importance of fisheries sector in national economy, the minister said currently it contributes 3.7 per cent of the GDP, 11 per cent of exports and 80 per cent of the animal protein intake by the

population.

He said annually an estimated 1.2 million tons of fish worth one billion US dollar is produced in the country for consumption and export. Bangladesh has 4.3 million hectares open and closed waters which could be developed along with 12 nautical miles of territorial belt from the coastal areas and 200 nautical miles of exclusive economic zone.

State Minister for Land Rashed Mosharraf said his ministry as custodian of the water bodies would handover them to the DoF for two years on trial basis when the fourth fisheries project goes into operation.

State Minister for Fisheries and Livestock Satish Chandra Roy sought cooperation of the concerned ministries and agencies as development partners for implementation of the proposed project.

Director General of DoF Liaquat Ali said release of carp fingerlings in open water during second and third fisheries project produced good results in some places where poor fishermen were benefitted.

## IMF satisfied with ROK reforms

SEOUL, Jan 12: The head of the International Monetary Fund arrived in Seoul on Monday, saying he is satisfied with South Korean efforts to carry out IMF-ordered financial reforms, reports AP.

Upon arrival at Kimpo Airport, Michel Camdessus said "yes" when asked whether he is content with reform made so far by South Korea as conditions of the IMF's 57 billion dollars bailout.

It was his second visit to Seoul since early December when the IMF agreed to rescue South Korea's sinking economy. His visit this time is to review South Korea's performance.

The IMF, among other things, has demanded that South Korea cut government spending, keep interest rates high and liquidate financially shaky financial institutions.

Camdessus also said he plans to meet with labour union leaders during his two-day visit.

The IMF leader did not elaborate, but local media have reported that he will try to persuade the labour unions to accept a proposed bill that would make layoffs easier in financial institutions.

## Exchange Rates

Effective on Monday, January 12, 1998  
Central Bank USD/BDT Rate: Buying - BDT 45.30/  
Selling - BDT 45.60

TT/OD	IC	Currency	TT Clean	OD Sight	OD Transfer
45.6600	45.7000	USD	45.2600	45.0850	44.9866
74.1975	74.2625	GBP	72.6423	72.3614	72.2035
25.1987	25.2208	DEM	24.7052	24.6097	24.5158
0.3485	0.3489	JPY	0.3403	0.3390	0.3382
31.1672	31.1945	CHF	30.4781	30.3603	30.2329
22.3495	22.3691	NLG	21.9389	21.8541	21.7747
25.7530	25.7755	SGD	25.2145	25.1170	25.0203
7.5180	7.5226	FRF	7.4015	7.3729	7.3532
32.1323	32.1605	CAD	31.4087	31.2873	31.1541
5.7075	5.7125	SEK	5.6084	5.5967	5.5725
29.8160	29.8421	AUD	28.6496	28.5388	28.4415
9.9261	9.9348	MYR	9.6503	9.6130	9.5682
5.9046	5.9097	HKD	5.8377	5.8152	5.8047
12.2413	12.2520	SAR	12.0053	11.9589	11.9423

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	SELLING
Cash	45.20	45.75
Notes	45.05	45.65
TC	45.05	45.65

Exchange Rates of Some Asian Currencies Against US Dollars	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
INDIAN RUPEE	44.006	56.25	56.75	56.75
PAK RUPEE	44.006	56.25	56.75	56.75
THAI BAHT	44.006	56.25	56.75	56.75
MALAYSIAN RINGGIT	44.006	56.25	56.75	56.75
INDONESIAN RUPIAH	44.006	56.25	56.75	56.75
PHILIPPINE PESO	44.006	56.25	56.75	56.75

Market Commentary  
The cricket's trading in the local foreign exchange market was sluggish. The cricket match between Bangladesh and Pakistan was one of the factors which slowed trading on the day. The demand for US Dollar remained steady and traded between BDT45.31 and BDT45.34 in the interbank market. The call money market was steady and the overnight call money rate ranged between 5.5 pc and 6.5 pc.

In the international foreign exchange markets US Dollar's exchange rates against Asian currencies were influenced by the speculation of central bank interventions, which kept downward pressure on it and drop in stock markets, which supported strong USD. Against DEM Dollar shot some steam amidst G10 meeting being held at Bank for International Settlements (BIS) in Switzerland. Pound Sterling softened on reports of UK's decision to join European Monetary Union by early next century if the EMU runs smoothly. In Europe USD traded between 132.12 and 132.20 against Yen, 1.8133/38 against DEM, while GBP traded at 1.6140/50 at 1100 GMT.

— Standard Chartered Bank, Dhaka

## Shipping Intelligence

Chittagong Port  
Berth position and performance of vessels as on 12.1.98.

Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Leaving
J/3	Linghai-18	C Clink	Sing	MBL	10/12
J/4	Banglar Mamata	CI	Sing	BSC	04/01
J/5	Erna Oldendorff	R Seed	Vrea	Utmond	09/12
J/6	Leona	CI	Vrea	Prog	02/12
J/7	Al Shams	CI	Sing	Prog	26/12
J/8	Feng Chi	CI	Sing	Prog	31/12
J/9	Qing Yang	CI	Sing	BDSHP	29/12
J/10	Qc Teal	Cont	Sing	QCSL	03/01
J/11	Padma	cont	Sing	RSL	04/01
J/12	Manaslu (Cont)	cont	Sing	RSL	30/12
J/13	Sea Elegance	cont	Sing	PI (BD)	01/01
CCT/2	Banglar Moni	cont	Sing	BSC	02/01
CCT/3	Sophie Schulte	cont	Sing	RSL	03/01
RM/14	Jin Cheng Jiang	PSSP	Sing	TMIL	28/12
CGJ	Petchmanee	C Clink	Sing	Seacom	31/12
GSJ	Grigoroussa	Wheat (G)	Mong	Lams	30/12
TSP	Kapitan Bobek	R Phos	Hamr	Utmond	05/1
RM/3	Venessa	GO	P Kel	Rainbow	06/01
RM/4	Won San	Cement	Long	USTC	6/12
RM/5	Al Sabiyah	HSD	Kurt	MSTPL	05/01
DOJ	Banglar Jyoti	C Oil	BSC	R/A	12/1
DD	Banglar Gourab	Repair	Fang	BSC	17/11
DDJ/1	Tanary Star	Idle	Para	PSAL	12/1
RM/8	High Mountain	Cement	Kind	PSAL	R/A
RM/9	Banglar Kallol	Repair	B Abb	Mov	17/12
CUFLJ	Yafeng	Cement	Land	Delmure	R/A
Kafco (U)	Trans Glory	Urea	Hald	BDSHP	07/01
Et Ocean Echo	P Mat	Sing	MBL	30/09	12/1

Vessels due at outer anchorage

	Arrival	Call	Agent		Port
Vanessa 1/1	13/1	Col	Baridhi	Cont	Col
Sin Hai 31/12	13/1	Sing	QCSL	Cont	Sing
Al Swamruz	15/1	-	ASLL	-	-
Lefort 6/1	14/1	Sing	RSL	Cont	Sing
Krk	13/1	-	Oil	GI	-
Baltimar Venus	14/1	Yang	Litmond	GI (Copra)	-
Grete Oldendorff	14/1	-	Rainbow	R Seed	-
Feng Yan	14/1	-	Baridhi	GI	-
Banga Biraj 11/1	15/1	Sing	BDSHP	-	Sing
IB Everett	15/1	-	Everett	GI	-
Kota Cahaya 5/1	15/1	Sing	Pil (BD)	Cont	Sing
San Pablo					
(Roro/24) 31/12	17/1	Col	JF	Vehi	-
Tamdhru (48) 7/1	17/1	-	Simni	R Coch/ GI	-
Hai Mao	18/1	Mong	MBL	Scraping	-
Kota Berjaya 11/1	19/1	Sing	Pil (BD)	Cont	-
Sea Horse	21/1	Sing	Seacom	GI (Copra)	Sing
Sotton	22/1	-	Simni	Scraping	-
Kota Alam 6/1	23/1	Sing	Pil (BD)	Cont	Sing
Dewan-1	24/1	Kara	AML	GI/GL	Kara