

## Govt purchases jute more than target

The government has purchased 19,13 lakh bales of jute from farmers in the current (1997-98) fiscal year against the target of 18 lakh bales, reports UNB.

This was disclosed by State Minister for Jute A K Faezul Huq in parliament yesterday, replying to a question from Shahjahan Khan (AL-Madaripur).

He said as the current peak season of jute has come to an end, the government has no plan to increase the target of jute purchase till June 1998.

Replies to another question from Master Mujibur Rahman (AL-Shariatpur), the state minister said the government had sanctioned a total of Tk 269.39 crore for the BJMC for purchasing jute this year.

On a separate question from Zinat Hossain (Women seat-29), he said at present, there are 35 jute mills under government ownership and 80 under private ownership.

Four of the government mills are now closed. Of which, one has been sold out to a foreign organisation and the remaining three are now in the privatisation process, he said.

The state minister said nine private jute mills are also closed for various reasons. The owners will take initiative to resume production in the mills considering the demand in international market and financial viability of the mills.

Replies to another question from Imdadul Huq (AL-Thakurgaon), Faezul Huq said a total of 74,819 workers are now employed in the jute mills under the Bangladesh Jute Mills Corporation (BJMC).

The number is 5,412 less than the approved set up, he said adding that a total of 19,549 workers are employed in Adamjee Jute Mills, the biggest in the country.

## Inflation rate down in Pakistan

ISLAMABAD, Jan 20: Pakistan has been able to reduce its inflation rate to around eight per cent from a double-digit level in the past four years. Finance Minister Sartaj Aziz said yesterday.

Aziz was giving an account of trends in the July-December first half of fiscal 1997-98 at the launch of a forum for consultations with the business community.

Prime Minister Nawaz Sharif chaired the first meeting of the private sector advisory council made up of 200 business representatives and senior finance and banking officials.

Aziz said the economy would achieve a five to 5.5 per cent growth during the current fiscal year ending June 30, up from around four per cent in the previous year.

A six per cent growth projected by the government could not be realised, he said, adding the growth of around 5.5 per cent would, however, satisfy the International Monetary Fund.

Pakistan will produce four per cent more rice than the last year's 3.45 million tonnes and around 19 million tonnes of wheat, up from the previous 17.6 million tonnes, he said.

Cotton production is estimated at around nine million bales, up from 8.7 million bales last year but below the target set at 11 million bales.

## SEA crisis

### '1 m Americans may lose jobs'

WASHINGTON, Jan 20: A Washington think-tank has warned in a new study that more than one million Americans could lose their jobs as a result of Asia's economic crisis, feeding US workers' fears the turmoil threatens their jobs, reports Reuters.

Jeff Faux, President of the pro-labour Economic Policy Institute, said the jobs could be lost over the next two years as cheaper Asian products flood US markets and US sales to the hard-hit region weaken.

The study will be released later this week, before Congress reconvenes and considers a controversial request by the Clinton administration to give billions of dollars to the International Monetary Fund to help it fight Asia's economic crisis.

The study will fan the fears of labour groups that say the crisis will spread and hurt US workers. It could also be used by IMF critics to lobby against funding for the agency.

As part of the IMF's multi-billion-dollar bailouts for Indonesia, South Korea and Thailand, authorities have put painful reforms in place that have forced companies out of business and will make it easier for them to shed workers.

"If the study will not only add fuel to labour's concerns, but to everyone's concerns," Faux said in an interview. "There will be about a million US jobs lost because of the increase in the trade deficit, assuming the federal reserve does not lower interest rates."

# The Daily Star

## BUSINESS

DHAKA WEDNESDAY, JANUARY 21, 1998

## DSE slaps suspension on ACI shares

By M Shamsur Rahman

In an unprecedented move, the Dhaka Stock Exchange (DSE) Council yesterday temporarily suspended share trading of Advanced Chemical Industries (ACI) sensing foul play by the company.

The suspension came after the company had postponed its decision to offer nine right shares against every five shareholdings at a premium of Taka 20 per share. The management wanted a Taka 30 premium but the annual general

meeting reduced the price.

In a press statement, the DSE said it had "decided to suspend trading of the shares of Advanced Chemical Industries Limited until the status of the Right Issue matter and the consequences of the action of the company is clear to the investors, so that the value may be assessed properly."

The DSE said the decision came "in public interest".

Following the right offer announcement at AGM on Oc-

tober 20 last year, prices of ACI shares started hitting high and about five lakh shares were traded from the time of its announcement till the book closure in early November. Prices averaged above Taka 110.

And since the bookclosing till yesterday, about 10 lakh shares changed hands at an average price of Taka 55.

The DSE Council, sensing manipulation, decided to suspend trading of the company

shares, bourse sources said.

"We are also bringing the matter to the knowledge of the Securities and Exchange Commission. The DSE will also ask the SEC to inquire into the alleged dumping of the shares to see if any of the company directors or sponsors are involved," a DSE Councillor said, requesting anonymity.

The company was learnt to have told the DSE that the money received against offered right shares would be paid back

at a 13 per cent interest to shareholders who had already paid first instalment. The company also claimed that it had also asked shareholders, who were yet to pay, not to deposit their subscription.

The company officials could not be reached for comments.

The company at its AGM said it had received permission from the regulatory authorities for marketing insulin from Eli Lilly. It also signed distributorship agreements with two re-

search-based companies Astra and Fujisawa and with Searle.

ACI also signed a deal with a Belgian-Indian genetic engineering company Proagro for marketing its rice and shorgram seeds in Bangladesh. In the consumer brands sector, the company signed distributorship agreement with Heinz.

Market sources said normally big brokers dealt in ACI shares and that SEC inspectors could easily detect those involved.

## Holiday Home at Kuakata constructed

BARISAL, Jan 20: Bangladesh Parjatan Corporation has completed the construction of a motel 'Holiday Home' at Kuakata sea beach at a cost of Tk 1.17 crore in the current fiscal year, reports BSS.

According to an official source, the two-storeyed building of 'Holiday Home' consists of 50 rooms, kitchen and a canteen for 60 persons who could take care of a smooth run.

Furniture worth about Tk seven lakh were also supplied to this 'Holiday Home' for the boarders. Twenty-seven officials and workers have also been appointed to this 'Holiday Home' to run it smoothly.

Sun-rise and sun-set could be seen in a clear day from 18-kilometre long sea beach of Kuakata under Kalapara thana of Patuakhali district of this division.

Meanwhile, a two crore project has also been taken by the Roads and Highways Department (RHD) for the development of roads from Kalapara to Kuakata, the source said.

This project was taken by the then government of Bangabandhu Sheikh Mujibur Rahman, in 1972. But it remained idle for about 18 years since 1975 till 1993, the source added.

## New sales agent of Jet Airways

Jet Airways, a private sector domestic airline of India, has announced the appointment of MAAS Travel and Tours Ltd. as its general sales agent for Bangladesh.

The company will represent Jet Airways in all aspects of its business in Bangladesh, MAAS said in a press release.

With its head office at Motijheel, it has branch offices at Gulshan and Chittagong.

Other airlines represented by MAAS include Singapore Airlines, Silk Air, Continental Airlines, Ethiopian Airlines and Royal Jordanian Airlines.

## Dollar rises against most major units in US

NEW YORK, Jan 20: The dollar continued sliding against the Japanese yen but rose against most major currencies in quiet United States trading during the federal Martin Luther King Jr. holiday, says AP.

Rising share prices in Tokyo boosted the yen as traders continued to have confidence that the Japanese government was taking concrete steps to salvage the sagging economy. The Nikkei index gained 1.34 per cent.

In New York trading, the dollar was quoted at 128.88 yen, down from 129.30 Friday. But the dollar has slid steadily since January 5, when it hit 133.78, its highest level since April 1992.

The US currency also settled at 1.8363 marks, up from 1.8336. The dollar hit a five-month high of 1.8435 marks during European trading.

The dollar fell off its highs of the day in profit-taking during thin New York trading in yen and marks. Trading was so thin that the bulk of it was over by 10 am as London trading faded out.

Other late dollar rates in New York, compared with late Friday: 1.4977 Swiss francs, unchanged; 6.1478 French francs, up from 6.1400; 1.805 Italian lire, up from 1.803.50; and 1.4378 Canadian dollars up from 1.4375.

The British pound was quoted at 1.6385, dollar up from 1.6335 dollars.

## HRC purchases container feeder vessel

HRC Shipping Ltd. has recently purchased its first container feeder vessel of 528 Teus capacity, says a press release.

The vessel, MV Banga Biraj, is now deployed as a common feeder for relaying Bangladesh's containerised cargo from Chittagong to international transhipment port of Singapore.

HRC intends to place two more feeder vessels on Chittagong-Singapore route by mid-1998.

The HRC management is actively considering floating a few of its companies in the Bangladesh stock exchanges this year.

HRC is a leading shipping house of the country for the past several years.

It is also the Bangladesh member of Multiport Ship Agencies Network, London, UK.

The business activities of HRC's 15-member companies include shipping, tea and rubber plantation owning, blending and packaging of tea for export/local sales, infant formulas, leasing, distribution, commodity, travel trade, foreign representation, tannery and finished leather process, real estate, manufacturing of GLS light bulb and publication of "Protichitra" a Bengali national weekly.



A shorter and longer range version of the A330-300 that is already in widespread airline service, the A330-200 typically seats around 250 passengers in a three-class layout. It offers unprecedented range and passenger comfort in its class, combined with excellent operating economy.

## Indian rupee stabilises

NEW DELHI, Jan 20: Raising interest rates and the required levels of cash reserves for banks appear to have helped stabilise the sliding Indian currency, analysts say. reports AP.

"I would say it was a fairly classic monetary credit tightening to support the exchange rate," said Shanker Acharya, the Finance Ministry's chief economic adviser, was quoted as saying in an interview published in Tuesday's Business Standard daily.

Indian markets aren't nearly as open as those in Southeast Asia, but economists say last week's weakening of the rupee is proof the country was not completely insulated from the financial turmoil there.

"On the face of it this was a backwards step to reform," said Om Prakash Mathur, acting director of the National Institute of Public Finance and Policy in New Delhi. "There has to be some consistency in our response to market reactions, not these kinds of interventions after which we don't know where we stand."

Official projections say India's economy will grow by seven per cent this year, but independent analysts say it could fall to as low as 4.4 per cent.

Moody's recently announced it was reviewing, and could downgrade, India's sovereign rating due to concern about the debt burden of public and private companies.

## Airbus Industrie has its best ever year in '97

Airbus Industrie has its best year ever in 1997, winning record sales of 671 aircraft worth 44.2 billion dollars, and reaching new highs in deliveries and turnover of 182 aircraft and 11.6 billion dollars, respectively.

It also launched an unprecedented number of aircraft programmes — the Airbus Corporate Jetliner, the A340-500 and the A340-600 — while continuing work on its 100-seater and A3XX projects.

The achievement comes just 25 years after Airbus Industrie's first aircraft, the A 300, made its maiden flight, the company announced.

The 671 sales comprise 460 firm orders and 211 letters of intent and memoranda of understandings, but exclude options.

The firm orders booked in 1997 include Airbus Industrie's largest single order to date, 124 A 319s and A 320s for US Airways, as well as 67 aircraft for leasing company ILFC and 50 for Northwest Airlines. They include 62 firm orders from the Asia-Pacific region. Other orders came from Europe, South America and the Arab world.

The paper further revealed that only Taka 50 crore had been allocated for the current fiscal year (1997-98) for repair works of these projects against a demand of Taka 259.57 crore for the purpose.

As a result, the board found no other option left but to carry forward the least possible repair and maintenance works, said an official of the BWDB.

Stressing the need for allocation of more fund for the purpose, the official added that though the board's requisition was Taka 110 crore under establishment head, only Taka 38 crore has so far been allocated.

Official figures showed that the British public sector was in deficit of 1.368 billion pounds (2.2 billion dollars) in December, compared with forecasts of a deficit of 300 million pounds.

Economists said they expected that data due to be released later in the week would show that the British economy had not yet started to slow, adding to speculation that the Bank of England will raise its base rate soon.

Sterling traded up against the dollar and European currencies on expectations of such a rate increase.

## European stocks jump following surge in Asia

LONDON, Jan 20: European share prices jumped after a surge on stock markets in Asia on Monday overnight prompted by signs that the region's financial crisis may be stabilising, reports AFP.

In London, the world's third-biggest market, the FTSE 100 index of leading shares rose 20.3 points to 5,283.4, although gains were held back by the strength of sterling and poorer-than-expected public sector deficit figures.

"That is very good news, it's a fear of the markets that if China devalues its currency, we might be up for another round of evaluation across the region."

Other boosts to Asian investor confidence were the end of IMF Chief Michel Camdessus in Madrid, the IBEX-35 key index rose 0.88

per cent to a record 7,792.13 points.

"Markets are up on the back of Asia," a Morgan Stanley Strategist said.

The Nikkei index in Tokyo, the world's second market after New York, rose 1.3 per cent. Hong Kong was up 5.6 per cent. Bangkok was up 9.6 per cent. Singapore 6.1 per cent. Malaysia 8.7 per cent and Indonesia 7.1 per cent.

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## Asian turmoil creates opportunity for US investors

LOS ANGELES, Jan 20: The financial turmoil in Asia has raised the prospect of sweet deals for US investors shopping for commercial real estate bar-gains both at home and abroad, reports AP.

Real estate investment trusts and other potential buyers are keeping a close eye on commercial real estate prices in Japan, Thailand, Malaysia and other countries that have been hit hard by volatile stock markets and currency devaluations in recent months.

And in the United States, they are making discreet inquiries to Asian investors who bought US property when times were good,