

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 UNJ.

This was disclosed by State Minister for Jute A K Faezul Huq in parliament yesterday, replying to a question from Shajahan 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.

Replying 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.

Replying 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 19,594 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, reports AFP.

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 an increase in the trade deficit, assuming the federal reserve does not lower interest rates."

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 Tk 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 October 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 insulins 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 shoragm 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.

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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.

The rupee, though not fully convertible, fell last week to a record low of 40 to the US dollar. Early Tuesday, it was hovering around 39. Analysts have predicted that the rupee could fall to as low as 44 to a dollar.

Although Friday's measures could further dampen growth, some economists welcomed moves to raise the rate at which the central bank lends to commercial banks to 11 per cent from nine, increase the level of cash reserves commercial banks are required to keep by

half a percentage point to 10.5 per cent and cut refinancing limits to banks.

"The measures were called for and should have been done earlier," said Rajan Govil, economist at Bombay's HSBC Batilvala and Karani brokerage house.

But others worry that the Reserve Bank of India's move, combined with other measures announced earlier, is a step away from reforming India's markets.

"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 drop to a crawl of 4.7 per cent.

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.

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 A 340-500 and the A 340-600 — while continuing work on its 100-seater and A 3XX 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 understanding, but exclude options.

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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.

In Paris, the CAC 40 index showed an early gain of 1.8 per cent to 3,011.18 points, showing strength for the fifth session in a row.

In Frankfurt, the DAX 30 index rose by 61.99 points to 4,246.45 points, up 1.48 per cent.

In the Netherlands, the Amsterdam market gained 13.04 points or 1.39 per cent on the AEX indicator and 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 massi 9.6 per cent, Singapore 6.1 per cent, Malaysia 8.7 per cent and Indonesia 7.1 per cent.

"The main reasons are first that China has announced that they won't devalue their currency," the Morgan Stanley Strategist said.

"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 tour of South Korea, Singapore, Indonesia Malaysia and China,

and the announcement in Japan of new economic stimulus measures, he said.

London's relatively weak performance compared to other European markets was caused by high sterling values and the announcement of a bigger-than-expected British public sector deficit in December.

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.

Fund constraint hampers
BWDB projects' work

Fund constraint is hampering the maintenance and operation of most of the recently completed irrigation flood protection and drainage projects in the country, says South Asian News Agency.

This may create an adverse impact on the country's agricultural production, a recent paper on the progress of work of different projects of the Water Resources ministry mentioned.

Work on a total of 558 irrigation, flood protection and drainage projects has been completed under the supervision of Bangladesh Water Development Board (BWDB) upto June last year (1997).

Repair, maintenance and operation have been listed as the top priority works of these projects in the paper.

Notable among the projects already completed by BWDB are Ganges-Kobadak (G-K) Irrigation Project, Pabna Irrigation and Rural Development Project, Coastal Embankment Rehabilitation Project, Chandpur Irrigation Project, Naogaon Polder-I, Gumbi Flood Protection Project (Phase-I), Madhumati Nabaganga Irrigation Project, Barnai Project, Muhuri Irrigation Project, Manu River Irrigation and Flood Protection Project, Brahmaputra (right embankment) Flood Protection Project and Coastal Embankment Project.

The expenditure for maintenance of these projects is being provided under the revenue budget.

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.

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 20/01/98.

Buying

Name of Currency	TT Clean	OD Sight	OD Export	OD Transfer
US Dir	45.2850	45.0991	44.9884	
GB Pound	73.5830	73.2724	73.0926	
D Mark	24.4745	24.3712	24.3114	
FR Franc	7.3110	7.2802	7.2623	
JP Yen	0.3470	0.3456	0.3447	
C Dir	31.2895	31.1574	31.0810	
S Franc	30.0000	29.8734	29.8001	

Selling

Name of Currency	T.T. & O.D.	B.C.
US Dollar	45.6604	45.6988
GB Pound	74.8176	74.8830
D Mark	24.9226	24.9443
Fr. France	7.4444	7.4509
JP Yen	0.3556	0.3559
C Dollar	31.8561	31.8839
S. Franc	30.5937	30.6204

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

Selling

Currency	Selling	Buying
US DLR	46.1500	45.6500
GBP	73.8200	71.8200
SRiyal	12.3000	11.8500

The water experts of the board suggested rapid enhancement of allocation in this regard considering the contribution of these projects to the country's overall economy.

On the other hand, out of the target of 6.69 lakh hectares of land to be brought under irrigation in 22 projects of the board in three seasons in 1997-98 fiscal year only 1.61 lakh hectares could be brought under irrigation facilities till November last year (1997).

The BWDB has fixed Taka 5.88 crore and Taka 3 crore as

targets for irrigation revenue collection and revenue realisation respectively in the current financial year (1997-98). As against a target of irrigation revenue collection of Taka 2.30 crore (39.05%) till November last, the realisation during the period was Taka 9.14 lakh only, 3.4 per cent of the target.

Noticing the dismal performance in this regard, the board has, however, instructed its field-level employees and officials to gear up the irrigation revenue collection drive for achieving the target.

Exchange Rates

Following is the Tuesday forex trading statement by Standard Chartered Bank, Dhaka. Central Bank USD/BDT Rate: Buying-BDT 45.30/Selling-BDT 45.60

TT/OD	Selling	Currency	TT Clean	OD Sight	OD
45.6600	45.7000	USD	45.2600	45.0850	44.9866
75.0650	75.1308	GBP	73.5022	73.2181	73.0582
24.9508	24.9727	DEM	24.4649	24.3703	24.2777
0.3548	0.3551	JPY	0.3463	0.3450	0.3442
30.6443	30.6711	CHF	29.9735	29.8576	29.7334
22.1221	22.1415	NLG	21.7179	21.6339	21.5556
26.1213	26.1442	SGD	25.5418	25.4430	25.3446
7.4365	7.4430	FRF	7.3236	7.2953	7.2758
31.9301	31.9580	CAD	31.2138	31.0931	30.9612
5.6862	5.6912	SEK	5.5877	5.5661	5.5518
30.7292	30.7561	AUD	29.5548	29.4405	29.2413
10.8456	10.8551	MYR	10.5501	10.5093	10.4937
5.9091	5.9143	HKD	5.8423	5.8197	5.8092
12.2742	12.2849	SAR	11.9735	11.9273	11.9107

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

Period	Buying	Selling
Cash	45.20	45.75
1 Month	5.61328	5.62500
3 Months	5.62500	5.65625
6 Months	5.65625	5.68750

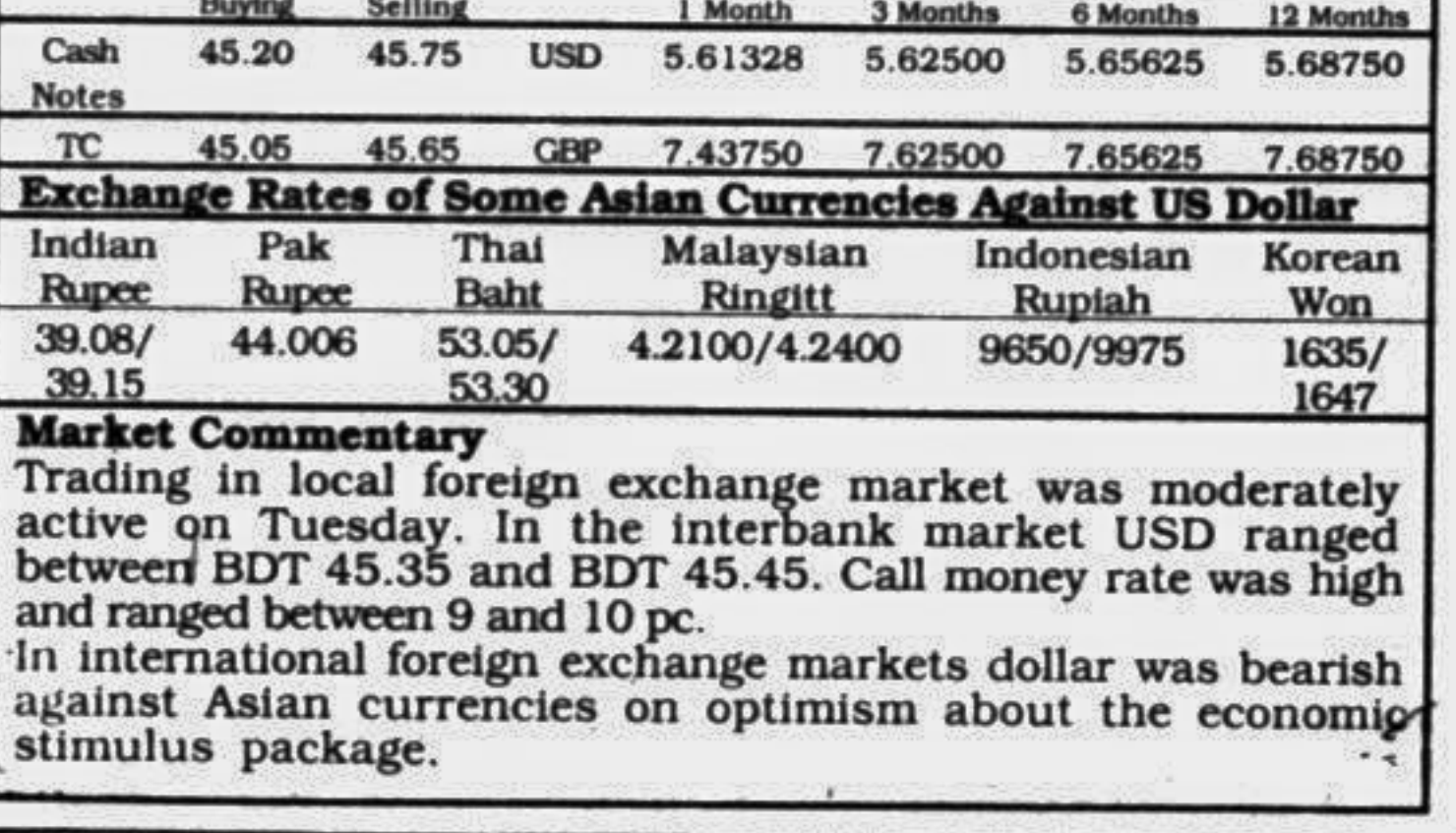
Exchange Rates of Some Asian Currencies Against US Dollar

Currency	Pak	Thai	Malaysian	Indonesian	Korean
Rupiah	39.08	44.006	53.05	4.2100/4.2400	9650/9975
Won	39.15		53.30		1635/1647

Market Commentary

Trading in local foreign exchange market was moderately active on Tuesday. In the interbank market USD ranged between BDT 45.35 and BDT 45.45. Call money rate was high and ranged between 9 and 10 pc.

In international foreign exchange markets dollar was bearish against Asian currencies on optimism about the economic stimulus package.



Bjorn Eder, leading the delegation of the International Federation of Red Cross and the Red Crescent Society, received six tonnes of blankets from British Airways Asia-Pacific Director, John Wood who arrived in the city recently with the relief material for 4000 Bangladeshi people suffering from cold weather.



HRC 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 transshipment 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, 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.

"People with money are poised to react," Lee said. "We think that there's a lot of interest. There's probably more interest in the Orient, investors from Hong Kong running to Japan to do deals. Are the American companies trying to do that, too? Yeah."

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-storied building of 'Holiday Home' consists of 50 seats, kitchen and a canteen for 60 persons who could take tea at a time.

Furniture worth about Tk seven lakh were also supplied to this 'Holiday Home' for the board members. 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 Bangladesh 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.