

Crash-landing of F-28

Biman starts settling claims

From Staff Correspondent

SYLHET, Feb 6: The Biman authority has started handing over cheques of insurance claims to the passengers of the F-28 aircraft which crash-landed near Sylhet airport on December 22.

The Deputy Managing Director of Biman, Lt Col (Retd) Jaitul Abhin, handed over cheques to eight passengers at a simple function at Biman's Sylhet office on Tuesday.

Iqbal Yakub and seven other members of his family received cheques for Taka 92,500 each. He along with his family members was travelling to Sylhet from London.

So far, 62 out of 84 passengers have claimed compensations. Claims of the rests would be settled soon.

Speaking on the occasion, the DMD said arrangements were being made to resume Airbus service on Dhaka-Sylhet route from June-July this year. This will help mitigate the sufferings of the Sylhet-bound passengers from abroad.

Work on the expansion of the Runway in Sylhet Osmani Airport is also nearing completion, he added.

Delhi, Suzuki Motor reach agreement

NEW DELHI, Feb 6: The government and Suzuki Motor Corporation (SMC), equal partners in Maruti Udyog Ltd (MUL) today reached an agreement on the two contentious issues regarding transfer of technology and royalty payment, reports PTI.

"We had a detailed discussion on transfer of technology (TOT). Some of the technology has been transferred and Suzuki will continue to transfer the rest," MUL Chairman Prabir Sengupta said after a three-hour board meeting today.

Sengupta said royalty payment to SMC was linked to the TOT and after today's discussions at the board, it would be passed to the government for a final decision.

Suzuki has submitted a project report on a time-bound transfer of technology today and it will be evaluated by Maruti before a final approval by the government," he said.

He said "no conditions" were put forward by the government on the vexed issue of transferring gear box technology.

Payment of royalty to Suzuki, estimated at 30 crore rupee for 1997-98, for its technology in various models of Maruti have been put on hold since April one, 1997, when the existing agreement expired.

Russia offers tax incentives to foreign investors

MOSCOW, Feb 6: Russia said yesterday it was offering tax incentives to foreign companies investing more than 250 million dollars in Russia and guaranteeing jobs and technology transfers, First Deputy Prime Minister Boris Nemtsov said, reports AFP.

A decree signed by President Boris Yeltsin would allow companies to turn their Russian depots into "tax free zones" if, over five years, they undertook to bring the share of production costs in Russia up to 50 per cent of the value of the finished goods, Interfax quoted Nemtsov as saying.

"We hope to draw investors into our economy and saying that we are ready to help you if jobs are created in Russia and new technologies brought to Russia," Nemtsov said.

Asia's crises pose threat to Pacific islands tourism

SUVA, Fiji, Feb 6: Asia's financial crisis threatens to have serious repercussions for heavily tourism-dependent Pacific Island countries, the head of the Tourism Council of the South Pacific said Friday, reports AP.

The devaluation of Asian currencies and lowered cost of Asian travel will attract large numbers of North American, European and Australian travellers who were the bulk of the market for Pacific countries, said Levani Tuinabua, the council's chief executive.

France, Polynesia, Fiji and New Caledonia, the three main South Pacific destinations, will suffer the most. All 13 council members, with their restricted resources, "will have to work that much harder and cooperate to save their business," Tuinabua said.

Problems at Chittagong Port Apparel exporters, ministers to sit with PM soon

Shipping Minister ASM Abdur Rob, Deputy Shipping Minister Saber Hossain Chowdhury and apparel exporters are expected to sit with Prime Minister Sheikh Hasina to find a permanent way out of existing problems at the Chittagong sea port.

Both the ministers on Wednesday exchanged views with Bangladesh Garments Manufacturers and Exporters Association leaders and general apparel exporters at a local hotel about the necessity of such meeting with the PM.

The meeting may take place within 15 or 20 days, says BGMEA vice president Nurul Huq Sikder.

BGMEA President Mostafa Golam Quaddus, vice presidents Mahabub Ali, Abul Kashem Haider and Nurul Huq Sikder, and Executive Committee Member Atiqul Islam also spoke at the meeting of their different problems.

Rob said Chittagong Port was being controlled by some "god fathers" and that their hands must be cut off to make its operation smooth.

According to BSS report: Shipping minister has said a

Taka 800 crore container depo will be set up opposite to Pagla by the year 2001 to ease pressure on Chittagong Port and help resolve port congestion problem.

He said the government is now formulating a national shipping policy and a master plan to meet the challenges of 21st century.

The minister was addressing a discussion meeting on "Problems of Chittagong Port and their solutions" organised by BGMEA here.

Deputy Shipping Minister Saber Hossain Chowdhury, BGMEA President Mostafa Golam Quaddus, vice presidents Faruk Amzad Khan, Hamidullah Sarkar Mojibar, Abu Taher Montu, Farhad Hossain Badal, Abu Mia and Shamsuddin spoke at the meeting.

The meeting was presided over by senior member of the organisation Saleh Mohammad.



Afzalur Rahman, Chairman of Rupali Bank Ltd, addressing the first zonal heads' conference '98 at BCIC auditorium in the city on Thursday. A K M Nozmul Haque, Managing Director, Directors Brig Shahid Hasan Selim, Md Hafiz Ibrahim, Dr Ashrafuddin Chowdhury, Prof Nazma Rahman and General Managers of the Bank S M Moniam Hossein and Kh Mahabur Rahman are also seen in the picture.

First zonal heads' confce of Rupali Bank held

Star Business Report

The first zonal heads' conference '98 of Rupali Bank Ltd was held at BCIC auditorium in the city on Thursday.

The Chairman of the bank, Afzalur Rahman, inaugurated the conference, says a press release.

They discussed various matters relating to business policy and strategy to be adopted for the overall development of the bank during the current year.

The zonal heads also exchanged views on the performance of the bank of last year.

In his speech, the Chairman advised all to uphold the professional ethics on banking operations and stressed the need for maintaining chain of command in each tier of administration.

AKM Nozmul Haque, Managing Director said the officers and employees of the Bank must put in their efforts for procuring business and earning profits.

The agreement by the unions and employers cleared one of the last obstacles to the reforms being pushed by President-elect Kim Dae-jung to salvage South Korea's battered economy.

The Korea Composite Stock Price Index rose 12.40 points, or 2.3 per cent, to 540.45. On Thursday, the index had slumped 3.5 per cent.

The South Korean currency also rose in reaction to the labour agreement. The won closed the day at 1,556 won to the dollar, compared with Thursday's close of 1,605 won.

In Indonesia, the key index surged 4.3 per cent as investors remained optimistic about the country's commitment toward economic reform.

The Rupiah seems to be decoupling from the other Asian currencies which are strengthening," said Maya Pinto, regional analyst with London-based research house IDEA.

She said the rupiah, which traded at 9,700 against the US dollar from yesterday close of 9,800, was likely to be volatile

3 SEA countries agree to reduce dependence on US dollar

Star Business Report

KUALA LUMPUR, Feb 6: Indonesia, Malaysia and Thailand have agreed to do business with each other in their own currencies as a way of reducing dependence on the US dollar, news reports said Friday, says AP.

Speaking to Malaysian reporters in Thailand, Malaysian Prime Minister Mahathir Mohamad said the countries would set up a "central clearing house" for currency transactions among the nine members of the Association of Southeast Asian Nations.

"They have agreed to trade using local currencies," Mahathir was reported by the New Straits Times newspaper as saying after meeting Thai Prime Minister Chuan Leekpai in Bangkok late Thursday.

Mahathir said that although the trade would involve just the private sector, the respective ASEAN governments would work together to oversee new

foreign exchange mechanism. Mahathir said he was hopeful that the plan could be expanded throughout the region.

"I hope to propose it to the Philippines," he said. Mahathir flies to the Philippines Friday to meet President Fidel Ramos. On Saturday, he is scheduled to meet in Singapore with Prime Minister Goh Chok Tong.

The idea of using regional currencies for trade was proposed late last year at the ASEAN summit in Kuala Lumpur, Malaysia's capital city. Such a policy has been suggested by the ASEAN Free Trade Area, or AFTA, a regional bloc, but few economists believe it is feasible at the present time.

Most ASEAN currencies have plummeted amid an economic crisis that has gripped much of Asia since July.

ASEAN comprises Brunei, Myanmar, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam.

The Jakarta Stock Exchange's Composite Index rose 21.94 points to 535.43. Meanwhile, the Indonesian rupiah closed higher against the US dollar following intervention by the central bank. The rupiah closed at 9,500 per dollar in the spot market, higher from its close Thursday at 9,700 rupiah.

Malaysian share prices closed sharply higher despite the announcement of a negative outlook for the country's foreign currency debt from Moody's Investors Service Inc.

The Kuala Lumpur Stock Exchange's main Composite Index rallied 15.38 points, or 2.2 per cent, to close at 728.19. Singapore shares also surged, boosted by gains in second-liner stocks, dealers said. The benchmark Straits Times Industrial Index climbed 44.76 points, or 2.9 per cent, to 1,536.91 on record volume of 1.275 billion shares.

In Tokyo, share prices closed higher on mild short-covering, reportedly intervened in early trade Friday to prop up the rupiah but to no avail.

Seng said the Malaysian ringgit and Singapore dollar dominated attention on the currency markets Friday, with the Singapore unit rising strongly to 1.6515 against the greenback from 1.6700 a day earlier.

Dealers said the spurt in the Singapore dollar could be attributed to some unwinding of US dollar positions by hedge funds amid a sustained rally on the Singapore stock market.

Cable operators urged to continue boycott of ESPN

Star Business Report

Bangladesh Cable Operators Oikya Parishad has called upon the cable operators in the country to continue boycott of sports channel ESPN.

The organisation at a meeting held at a city hotel on Thursday also urged the operators to renew Star Movies and Zee Cinema channels from today, according to a press release.

Joint convenors of the body KM Raju and Khan Manzurul Islam Palash and members Faruk Amzad Khan, Hamidullah Sarkar Mojibar, Abu Taher Montu, Farhad Hossain Badal, Abu Mia and Shamsuddin spoke at the meeting.

The meeting was presided over by senior member of the organisation Saleh Mohammad.

He said he hoped to dissuade Yaqub from leaving when he returned to Pakistan this week.

Pakistan had performed well in the context of Asia's financial turmoil, despite some slippage in economic targets, Aziz told Reuters after he and other officials met businessmen in London's financial district.

"As we have fulfilled all the major performance criteria (IMF) have set, and considering the difficulties the region has faced, I see no difficulty in a successful review of the programme and the release of the second tranche, he said.

The government has a target of a budget deficit of five per cent of gross domestic product (GDP) in 1997/98 (July-June).

The final figure was likely to be around 5.1 or 5.2 per cent of GDP, reflecting lower-than-expected growth following damage to the cotton crop from heavy rains in October.

The government said last month the economy was likely to achieve GDP growth of 5.3 per cent in 1997/98, still well up on last year's 3.1 per cent but below a target of six per cent.

To the extent that GDP growth will be less than six per cent, which is likely because of the damage to our cotton crop, than as a percentage of the GDP it (the budget deficit) may be slightly higher," Aziz said on Thursday.

Aziz said budget revenues were "slightly off" following a five billion rupee (114 million dollars) shortfall in collection in the first half of the financial year.

But at the same time expenditure was also lower and the government had a "cushion" in funds from a petroleum surcharge.

Under the loan arrangement with the IMF Pakistan has to meet four critical targets: seven per cent industrial growth, five per cent agricultural growth, 5.5 per cent GDP growth and 15 per cent export growth.

The country had a chequered history with the IMF in recent years before securing the latest Enhanced Structural Adjustment Facility (ESAF) last Oct.

He also objected to plans to divert more funds to UN administration, saying increases should be used to buy more food and medicine.

In a letter to Annan on Thursday, he said Iraq is not willing to pay more for UN monitoring or to repair electric power stations in northern Iraq, which is not fully under Baghdad's control. He said repairs should be nationwide.

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Ctg Airport upgradation project Agreement signed with 2 Japanese companies

Bangladesh Civil Aviation Authority (CAA) has signed an agreement with two Japanese companies to upgrade the Chittagong Airport into a full-fledged international airport, reports UNB.

The government has approved a Tk 540.99 crore project in this regard, involving Tk 444.84 crore from OECF of Japan and Tk 96.15 crore from the government resources.

CAA Chairman Air Commodore M Monjurul Alam and Asiharu Kato and Hazim Tuzla of Shimizu-Marubeni Consortium of Japan signed the agreement Thursday on behalf of their respective sides.

Construction work on the project will begin on the first week of March this year and is expected to be completed by the next 33 months, said an official handout.

The project work includes construction of 3060 meter runway, 18,850 skm passenger terminal building, 2,870 skm cargo terminal.

In addition, the airport will have facilities of category-I ILS system, aeronautical telecommunication system, ground lighting system, meteorological observation system, power and water supply, sewerage system, fire station, fire fighting vehicles and ambulance.

Pakistan confident to win 2nd tranche of IMF loan

LONDON, Feb 6: Finance Minister Sartaj Aziz said yesterday he was confident Pakistan would win an International Monetary Fund (IMF) stamp of approval after a visit by an IMF team to the country this month, reports Reuters.

Pakistan should have little problem securing a second 208 million dollar tranche of a three-year 1.6 billion dollar structural adjustment loan from the IMF, he predicted.

Aziz also played down reports that the Governor of the central bank, Mohammad Yaqub, wanted to leave his post early.

He said he hoped to dissuade Yaqub from leaving when he returned to Pakistan this week.

Pakistan had performed well in the context of Asia's financial turmoil, despite some slippage in economic targets, Aziz told Reuters after he and other officials met businessmen in London's financial district.

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UNSC may meet Monday Europe favours increase in Iraqi oil export

UNITED NATIONS, Feb 6: European members of the Security Council circulated resolutions to increase the amount of oil Iraq can sell to buy food and medicine for its 22 million people, but Iraq has rejected key elements of the proposal, reports AP.

The resolutions, one jointly sponsored by Britain, Sweden and Portugal and another circulated by the French, would implement a recommendation by UN Secretary-General Kofi Annan to let Iraq sell 5.2 billion dollars worth of oil over six months.

Iraq has been banned from freely exporting oil since its August 1990 invasion of neighbouring Kuwait.

A key difference is that the French draft would authorise Iraq to import oil production and pipeline equipment. The other draft makes no such provision.

Under the current ceiling, Iraq is limited to 2.14 billion dollars worth of exports. Most of the money goes to buy food and medicine for distribution under UN monitoring. The rest goes to compensate victims of the 1991 Gulf War and pay expenses for UN weapons monitors in Iraq.

Annan's recommendation also provides for a one-time expenditure of one billion dollars to repair Iraqi infrastructure damaged by US forces during the Gulf conflict.

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Exchange Rates

Following is the forex trading statement by Standard Chartered Bank, Dhaka. Central Bank USD/BDT Rate: Buying—BDT 46.50/Selling—BDT 46.45

Selling		Buying			
TT/OD	BC	Currency	TT Clean	OD Sight	OD Transfer
46.5100	46.5500	USD	46.1100	45.9350	45.8366
77.5554	77.6221	GBP	75.8510	75.5631	75.4012
25.9832	26.0056	DEM	25.4540	25.3574	25.2613
0.3812	0.3816	JPY	0.3689	0.3675	0.3667
32.2650	32.2928	CHF	31.5282	31.4085	31.2771
23.0259	23.0457	NLG	22.5995	22.5127	22.4315
27.8596	27.8826	SGD	27.4219	27.3179	27.2108
7.7334	7.7400	FRF	7.6149	7.5860	7.5660
32.3435	32.3713	CAD	31.6082	31.4882	31.3563
5.8065	5.8115	SEK	5.7226	5.7009	5.6866
32.0640	32.0916	AUD	30.8430	30.7259	30.5226
12.0492	12.0596	MYR	11.2463	11.2037	11.1878
6.0203	6.0255	HKD	5.9516	5.9250	5.9186
12.4692	12.4799	SAR	12.1984	12.1521	12.1357

TT/DOC	30 Days	60 Days	90 Days	120 Days	180 Days
46.0150	45.7310	45.3520	44.9162	44.4425	43.3813