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The Daily Star BUSINESS

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HYUNDAI

CARS THAT MAKE SENSE

Sugar production crosses target

Sugar production in the country has exceeded the target during the current season with an increase of 15.8 per cent over that of the last year, reports UNB.

Some 15 sugar mills under Bangladesh Sugar and Food Industries Corporation (BSFIC) produced 1,46,40,000 tons of sugar till Monday as against the production target of 1,45,60,000 tons during the current crushing season, said a press release.

Production is still going on in 12 sugar mills and a further output of 20,000 to 25,000 tons is expected at the end of the season, the press release added.

The country's sugar industry also gained in terms of the rate of sugar recovery which is 7.82 per cent during the season against the 7.66 per cent last year.

Performance of sugar mills in terms of quantity of production and rate of recovery is reassuring, said the press release.

KCC implementing Tk 19 cr projects

KHULNA, Feb 24: Khulna City Corporation is implementing nine development projects at an expenditure of Taka 18.90 crore during the current fiscal, reports BSS.

Corporation sources said today that the development projects had been selected on priority basis and most of the projects were in the process of implementation.

These development projects are construction and reconstruction of 629 roads, construction of 38 culverts and drains, development and construction of 10 shopping complex and markets, construction of three parks, building of 18 houses, development of burial grounds and crematoriums, putting up of street light, development of water supply system and reconstruction and building of foot-paths, public latrines, *Eidgah*, purchase of machinery etc.

Meanwhile, the KCC has completed Baitun-Nur Jame Mosque Complex at an expenditure of Taka 4.70, 68,083 and Khulna Collegiate Girls School at Taka 6.73, 34, 060.

Racketeer held for blackmailing Daiwa Securities

TOKYO, Feb 24: Police in western Japan arrested a corporate racketeer Tuesday for allegedly blackmailing Daiwa Securities Co., a major Japanese brokerage, to compensate him for stock trading losses, reports AP.

The arrested man, identified as Kagehiko Ikeda, a 50-year-old racketeer based in Osaka, is suspected of threatening to kill a Daiwa employee unless the brokerage repaid stock investment losses, police said.

Either paying or demanding compensation for investment losses is illegal under Japan's Securities and Exchange Law.

Corporate racketeers, known as *sokaiya*, purchase company shares and then threaten to disrupt shareholders' meetings by disclosing embarrassing company secrets unless being paid off.

Ikeda bought shares in a company operating arcade games for about 25 million yen (196,000 dollars) in August 1997 through a Daiwa branch, but it shares dropped sharply along with an overall market slump.

Ikeda threatened to kill at least one Daiwa employee if not compensated, telling him he would suffer a similar fate as an executive of failed Yamaichi Securities Co., who had been stabbed to death last year, an Osaka prefectural police spokesman said. The spokesman spoke on condition of anonymity.

Koichiro Tarutani, a 57-year-old executive at Yamaichi, died after being stabbed in the chest and back by an unknown person not far from his house in Tokyo on Aug. 14, 1997.

China likely to maintain 8pc growth this year

BEIJING, Feb 24: China is expected to maintain growth of more than eight per cent this year compared to 8.8 per cent in 1997, Vice Premier Zhu Rongji said yesterday, reports AFP.

Zhu also said the inflation rate for this year would be kept at a "very low level" compared with the rapid economic growth.

The official Xinhua news agency said he was speaking in a meeting with Kurt Biedenkopf, Minister-President of Germany's state of Saxony.

Zhu said that since 1996 China's economy had followed a development path of high growth and low inflation. He said the investment environment would "get better and better."

Authorities have previously predicted growth of around eight per cent in 1998. Currency devaluations by rival exporters in Southeast Asia are expected to hit China's overseas sales.

Zhu said he welcomed investment by more German enterprises to strengthen cooperation, and Biedenkopf was confident of the prospects for Sino-German ties.

Economy on strong footing: Kibria

Finance Minister Shah AMS Kibria yesterday said the country's economy is now on a strong footing and cautioned against those trying to mar the image of the government by giving out wrong information, reports UNB.

"The foreign exchange reserves with the central bank have risen to 1830 million US dollars. Industrial production increased by 12 per cent and exports are now growing by 19 per cent," said the Finance Minister while addressing the regional

heads of Janata Bank at a city hotel.

Referring to the syndicated loan for big projects in the private sector, the minister noted that utilisation of the system has not been to the expectation. He said disinterest of the senior bankers to the system is responsible for non-utilisation of the facility by the entrepreneurs.

Explaining the high sides of the syndicated loan system, Kibria said it is a modern and proven idea for industrial de-

velopment. He asked the bankers to extend long term loans to big projects under a consortium of banks.

The minister also asked the bankers to make more vigorous move for recovering default and outstanding loans including resorting to legal action. They should provide consultancy service to the clients, quicker decisions and refrain from harassing traders and entrepreneurs. Service to the clients must be improved, Kibria told the bankers.

The minister also told the bankers to shun the culture of waiving interest from the banking system. It is quite illogical that you will pay interest to the depositors and waive interest of borrowers, he said.

Kibria lauded the role of Janata Bank in alleviating poverty and its contribution to the national economy.

Earlier, welcoming the minister, the managing director of Janata Bank MA Hashem said that they have recovered default loans of Tk 742 crore in 1997

raising the total recovery of loans during the year to Tk 954 crore.

He further said that the bank provided term loans of 107.60 crore in 32 projects and current loans of Tk 37 crore to 60 projects since June 1996. They have taken up a programme of giving Tk 250 crore as Krishi and Palli credits during the current fiscal year.

Chairman, Board of Directors of the Bank, Imam Uddin Ahmed presided over the annual meeting.

BGMEA polls today

More than 1,500 garment manufacturers and exporters vote today to elect nine members of BGMEA for one year, reports UNB.

Both outgoing president Mostafa Golam Quddus and executive member of the Association Anisul Haq are not in the direct fray, but one of them will take the chair of president on March 7.

Sammilita Parishad panel leader Golam Quddus needs seven members for his reelection out of the contesting nine, while Forum panel leader Anisul Haq needs support from only three of them.

The nine members will be elected in voting. They will join the elected 18 as another nine, elected three years back, will resign as per constitution.

A total of 1,526 voters cast votes in Dhaka and Chittagong to make the way ultimately to take the decision as to who will run the association of manufacturers and exporters of highest foreign exchange earners of the country.

The candidates for Golam Quddus' Sammilita Parishad are — Dhaka region: Kazi Muniruzzaman, Iqbal Ahmed, Tipu Munshi, M Shahadat Hossain, M Nurul Islam, A Razzaq Sattar, Sakawat Hossain and Chittagong region: AF Chowdhury (Perdous) and Abu Taiyab.

Led by Anisul Haq, the Forum candidates are — Dhaka: Feroz M Hassan, Anwar-ul Alam Chowdhury, Delwar Hossain, M R Ali, M Golam Faruq, Habibur Rahman, Irshad Hossain and Chittagong: Kamaluddin Chowdhury and Aminuzzaman Bhuiyan.

A four-member election board with Shafiqullah Chowdhury as its chairman will conduct the election. The voting will take place in the two cities from 9 am to 5 pm without any break.

The voters for the election of Bangladesh Garment Manufacturers and Exporters Association in Dhaka is 1,211 while in the port city of Chittagong 315.

Quddus stresses political stability

As the election of BGMEA takes place today its outgoing president Mostafa Golam Quddus emphasised the need for political stability to boost the garments sector, reports UNB.

"Whether we are re-elected or not, I hope that the incoming president and committee will continue to efforts taken by us," Quddus said addressing a thanks-giving press conference here yesterday.

He referred to his efforts to bring the government and the opposition closer in realising the importance of the garments sector, the key foreign exchange earner of the country.

"We were able to convince the main opposition to keep the garments sector out of hartal and we do hope the tradition will continue," Quddus added.

The chief of Bangladesh Garment Manufacturers and Exporters Association said the joint projection meeting of the two contesting panels was also a part of their move to demonstrate tolerance to opponents which should be exercised at all levels of our national life.

Flanked by two vice-presi-

dents of the organisation, he thanked all for assisting him during his tenure and sought cooperation in BGMEA's steps to set up backward linkage industries.

He demanded that the garments sector should be freed from the clutches of the bureaucracy and tolerable devaluation of the currency so that business gets a boost without causing hardship to people.

In support of his demand for further devaluation, Quddus said Taka was devalued by 6.5 per cent in last three years when India, Sri Lanka and Indonesia devalued their currencies ranging from 25 per cent to 550 per cent.

The leader of the garments industry also demanded removal of tax discrepancies. "We are to pay more than those in the Export Processing Zone. One can't enjoy greater facility only because his skin is white."

The outgoing BGMEA president also made a number of pledges to the association members requesting them to return him to the office again in the upcoming election.

Those include, increase the quota by 30 per cent, formation of a separate cell for women entrepreneurs, higher export to Japan and complete the task for block account.

Among others, BGMEA vice presidents Nurul Haq Sikder and Abul Kashem Haider were present at the press conference.

Singer showroom relocated

Singer opens its relocated Srimangal showroom-cum-sales centre at Moulavibazar Road, Shapadinga market shifting from its previous location at Station Road on Monday, says a press release.

M A Siddiqui, Marketing Manager, Singer Bangladesh Limited, inaugurated the centre.

After the inauguration ceremony, formal selling of Singer products started with the selling of Sewing Machines, Television, Washing Machine, VCP, Refrigerator, Iron etc.

Gloom descends on Japanese Indonesian currencies

HONG KONG, Feb 24: The Japanese yen was the big loser on the week, as investors took a dim view of an economic stimulus package proposed by the ruling party and nerves set in over an ongoing bribery scandal hitting the finance sector, reports AFP.

Elsewhere the Indonesian rupiah lurched from bad to worse amid confusion over reported government plans to peg it to the dollar.

JAPANESE YEN: The Japanese currency fell by nearly two yen to the dollar during the week, hit by a bank bribery scandal and disappointment at an economic package, dealers said.

It stood at 126.79-82 to the dollar late Friday, compared with 124.71-74 a week earlier.

The yen dropped to 126 yen level Monday, hit by the bribery scandal involving top Japanese banks, dealers said.

It rallied before moving in a tight range ahead of news of the

ruling party's economic proposals and the G7 finance minister's meeting, which started in London on Saturday.

Disappointment on Friday at the absence of tax cuts in the liberal democratic party's economic package hit the currency, according to dealers.

INDONESIAN RUPIAH: The Indonesian rupiah fell 1.76 per cent over the week to close Friday at 8,650 to the dollar, from around 8,500 the previous week, as confusion mounted about government plans to set up a currency board.

Dealers said the rupiah would remain weak in the coming week with the government of President Suharto showing little sign of clarifying its position on pegging the currency to the dollar.

The plan prompted the International Monetary Fund (IMF) to warn Suharto its multi-billion dollar rescue package for Indonesia's stricken economy was at stake.

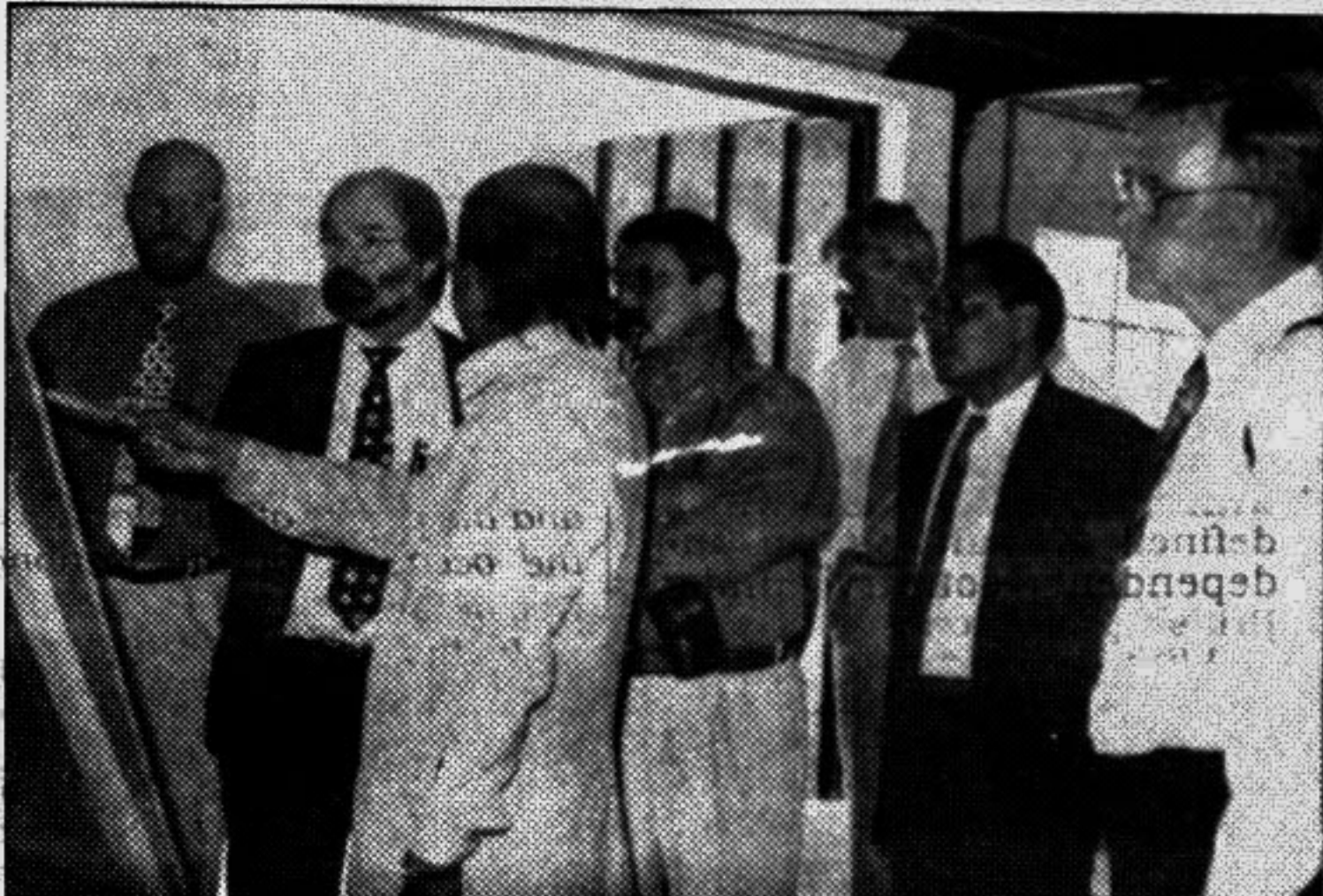
THAI BAHT: The baht gained strongly to close at 44.70-90 against the dollar from 46.15-25 the previous week.

Analysts attributed the gains to foreign capital inflows and psychological factors, with the market expecting positive news on measures to deal with the Asian financial crisis from the G7 finance ministers' meeting in London.

MALAYSIAN RINGGIT: The ringgit ended the week slightly easier at 3.75 units to the dollar, down from 3.72 a week earlier.

The closing level was nevertheless the high point for the week which saw the Malaysian currency at one stage drop to 3.90 ringgit to the dollar.

On Friday, the central bank said Malaysia's holdings of gold and foreign exchange reserves rose to 56.7 billion ringgit in mid-February, up from 56.6 billion ringgit at the end of January and equivalent to 20.46 billion dollars.



A German Parliamentary delegation recently visited the factory of Bengal Fine Ceramics Ltd at Savar. Factory manager explained the lay-out of the factory to the members of the delegation.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 24th Feb '98.

Name of Currency	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dir	46.1300	45.9605	45.8610
GB Pound	75.4356	75.1584	74.9957
D Mark	25.5351	25.4413	25.3862
F Franc	7.6170	7.5892	7.5627
C Dir	32.2146	32.0962	32.0267
S Franc	31.6220	31.5058	31.4376
JP Yen	0.3564	0.3551	0.3543

Name of Currency	Selling		
	T.T. & O.D.	B.C.	
US Dollar	46.5098	46.5495	
GB Pound	76.6766	76.7420	
D Mark	26.0084	26.0306	
F Franc	7.7583	7.7649	
C Dollar	32.8178	32.8458	
S Franc	32.2139	32.2414	
JP Yen	0.3668	0.3672	

A) TT (DOC) US Dollar Spot Buying Tk. 46.0452

B) Usance Rate

	30	60	90	120	180
Days	Days	Days	Days	Days	Days
45.8550	45.2715	44.8871	44.5028	44.1184	43.7338

C) US Dollar sight export bill 3 months forward purchase: Same as OD sight export Bill buying rate.

The following are the Janata Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 24/2/98.

Name of Currency	Buying		
	TT Clean	OD Sight Export Bills	OD Transfer
US Dir	45.1350	45.9462	45.8334
GB Pound	75.4331	75.1359	74.9513
D Mark	25.5467	25.4393	25.3768
FR Franc	7.6200	7.5880	7.5694
JP Yen	0.3585	0.3570	0.3561
C Dir	32.2153	32.0799	32.0011
S Franc	31.6185	31.4855	31.4082

Name of Currency	Selling		
	T.T. & O.D.	B.C.	
US Dollar	46.5104	46.5488	
GB Pound	76.6501	76.7159	
D Mark	26.0063	26.0286	
FR Franc	7.7542	7.7609	
JP Yen	0.3673	0.3676	
C Dollar	32.7882	32.8162	
S Franc	32.1916	32.2192	

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

	Selling	Buying
US DLR	47.0000	46.5000
GBP	75.6500	73.6500
Riyal	12.5000	12.0500
UAE DH	12.5000	12.0500
KUW DI	150.5000	145.5000

Cliffhanger in Dhaka

Star Business Report

One of the most spectacular movies ever made in Hollywood, *Cliffhanger* is here in Dhaka, per courtesy Modhumita Movies.

Featuring Rambo-famed Sylvester Stallone, John Lithgow, and TV serial Northern Exposure-famed Janine Turner, the film is directed by Renny Harlin.

The story in brief: Years after a tragic accident in which he was unable to save his best friend's girlfriend the leader of a mountain rescue team mountaineer, Sylvester Stallone attempts to redeem himself by retrieving suitcases of stolen government loot lost in the Colorado Rockies. In this action thriller, Gabe Walker (Stallone) loses his nerve after witnessing an accident. Feeling responsible, he tries to leave his adventurous life behind but is recruited into helping his former partner save the victims of a plane crash, high in the mountains during a raging blizzard. The duo discover the victims are really desperate fugitives who take the rescuers captive, but Walker escapes and overcomes his self-doubt to combat the gang on the ice-encrusted mountains. This 118 minutes long spectacular adventure saga also stars John Lithgow as the criminal mastermind behind the heist.



Indian products won't destroy markets in SAARC states: Gujral

By Muhammad Najeeb, India Abroad News Service

ISLAMABAD, Feb 24: Indian Prime Minister I.K. Gujral has brushed aside fears that Indian products can destroy local markets in South Asian Association for Regional Cooperation (SAARC) countries when intra-regional trade increases.

In an interview with Pakistan's news agency News Network International (NNI), Gujral said India has a "favourable" balance of trade with Sri Lanka and Bangladesh. He said his government had tried to adjust tariffs so that more Bangladeshi and Sri Lankan goods can be exported to India and that he is against "loading tariff and non-tariff barriers in the bilateral trade with the neighbouring countries."

"Bangladesh has some advantage of gas. If they set up a petro-chemical industry there and manufacture fertiliser, India is a very big market of fertiliser. We buy from all over the

world. It will be more economical for us to buy it from Bangladesh," he said in the interview given to NNI editor-in-chief Hafiz Abdul Khaliq last week in New Delhi.

Likewise Bangladesh leather is superior to Indian leather and Indian manufacturers are always asking not to open up the leather sector. "We have great demand for raw materials, great demand for rock salt, why can't we buy it from neighbouring countries?" he asked.

Gujral noted that Sri Lanka had surplus rubber and India is a highly good market for tyres. "So why cannot we import rubber and sell tyres to Sri Lanka?" he asked. Sri Lanka, he said, is also extremely good in crockery whereas Indian crockery is substandard and cannot compete with it.

Gujral said it is time for Pakistan and India to open up more trade between them as otherwise only third countries

would benefit from the present arrangement. He said neither country had made sincere efforts in the past to expand trade ties. "Who is a gainer in this? It is Dubai, Hong Kong and Shanghai," Gujral said while emphasising the need of liberalisation of trade between the two countries.

"Free trade (between India and Pakistan) cannot be on the first of January 2001 (when SAFTA becomes operational)...one has to move in that direction to have more trade," Gujral said.

"Pakistan has several economic advantages, we have some, so can benefit from each other by opening up more trade," he said.

Gujral said indirect trade between the two countries had trebled from Rs. 20 billion to Rs. 60 billion during the last three years. "So, why not the di-

rect...it will benefit both of us," Gujral said. He said that no buyer can force a seller; trade takes place where there is interest from both parties.

Talking about sector-wise trade, Gujral said, "Pakistan got a huge gas (reserve). If it sets up a huge gas (reserve) and (there) is surplus in fertiliser or any other petrochemical product, the Indian market is there to buy it."

Replying to a question on whether Indian exports to Pakistan would destroy local industry, Gujral said it is not just a question of Indian goods selling in Pakistan but also Pakistani goods selling in India.

He noted that at present Pakistan is exporting certain goods to India including rock salt. "Pakistani textile is superior to Indian and as a matter of fact Indian manufacturers are afraid that if this is opened up

Indian textiles will suffer," Gujral said that Pakistan had approached his government last year to sell surplus energy to India. "But when we agreed, some people in Pakistan said 'Let Kashmir be settled first'," Gujral said. He said Pakistan had invited huge foreign investment in the energy sector and now "either you consume it or you waste it."

He said that last year when he was foreign minister in H.D. Deve Gowda's government, one of the foreign energy investors in Pakistan asked him to buy energy from them. "I told him that I'll not deal directly, we'll deal through the Pakistan government as bilateral trade has its own laws," said Gujral.

Recalling his meeting with Pakistani Prime Minister Nawaz Sharif in Edinburgh on the sidelines of the Commonwealth Summit last year, Gujral said, "He (Sharif) himself raised the point 'Why don't you

Motorola, BUET sign MOU

Star Business Report
Motorola and Bangladesh University of Engineering and Technology (BUET) have signed a memorandum of understanding to start up a project on automated frequency management.

The MOU was signed by Dr Abdur Rais of Motorola South Asia and Dr Enamul Basher of BUET at a simple ceremony in the city yesterday, says a press release.

Under the MOU, Motorola has made a donation for the project.

The project will provide BUET engineering students with an opportunity to study radio frequency and develop BTTB's much-needed database for automated frequency management system.

Speaking on the occasion, the chief guest Dr Enamul Basher, Professor and Head Department of Electrical and Electronic Engineering of Bangladesh University of Engineering and Technology (BUET), said the age of Information Technology is taking us into new dimensions and as a result today's technology is becoming obsolete for tomorrow.

He also emphasised the importance of the cooperation between the industry and BUET which would be fruitful for technological facilities for the university.

The welcome address was given by Paul Makarewicz of the Motorola University and Andy Cobham Director, Regional Government Relations Motorola.

Graham Davey, Director of Government Relations Motorola, South Asia, also spoke on the occasion.

US records \$25b budget surplus

WASHINGTON, Feb 24: Rising tax revenue helped the government record a 25.4 billion dollars surplus in January and put it on track to register a surplus for the full fiscal year for the first time in nearly three decades, reports UNB.

In fact, for the 12 months ended in January, the cumulative surplus totalled 9.6 billion dollars — the most in at least 28 years. Just two months earlier, a 2.4 billion dollars surplus in the 12 months ended in November was the first for any 12-month period since 1970.

The January surplus swelled by quarterly income tax payments, was about 2.5 billion dollars bigger than analysts predicted. The surplus was the difference between 162.6 billion dollars in receipts and spending of 137.2 billion dollars.

During the first four months of fiscal 1998, which began October 1, the government had a 14.3 billion dollars deficit. That's 69 per cent less than the same period of fiscal 1997, when the deficit hit a 23-year low of 22 billion dollars.

The Clinton administration last month predicted a 10 billion deficit for fiscal 1998 but Congressional Budget Office analysts earlier this month said a surplus — the first since fiscal 1969 — is likely if revenue growth continues strong.

The strong economy and booming stock market have increased the stream of tax revenue to the government, particularly from capital-gains taxes paid after stock sales.

Revenue through the first four months of fiscal 1998 totalled 549 billion dollars, up 10.5 per cent from the same period a year ago.



Dr Abdur Rais of Motorola South Asia and Dr Enamul Basher of BUET signing an MOU at a city hotel yesterday.

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