

UNDP assistance for women development programme

Bangladesh will receive 11.7 million US dollars from UNDP under the Women Development Programme, reports UNB.

Three project documents were signed to this effect at a simple ceremony at the NEC conference room here yesterday.

Additional Secretary of Economic Relation Division Abdullah Haroon Pasha, MOWCA Secretary and UNDP Resident Representative David E Lockwood signed the agreement on behalf of their respective sides.

New BGMEA office-bearers

The Sammlita Parishad which won the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) election has named new office-bearers for 1998, retaining Mostafa Gulam Qudus as president.

Four vice presidents were also named at the annual general meeting on Saturday, a press release said.

Mahabub Ali was made the first vice-president, Nurul Haq Shikdar second vice president, Tipu Munshi vice president and KM Zaman as vice-president (finance).

ATDP holds seed potato production field day

The Agro-based Industries and Technology Development Project (ATDP), a USAID-supported project of the Ministry of Agriculture, organised a seed potato production field day at Betka in Munshiganj recently.

The day was arranged in co-operation with the Betka branch of Bangladesh Krishi Bank, says a press release.

About 160 potato growers and borrowers under ATDP.

Agrobusiness Credit Fund Participated in the programme. They were from the Madhupur and Mirzapur areas of Tangail, Narsingdi Shekhar Bazar and other areas of the Munshiganj district.

M A Halim, Additional Agriculture Secretary was the chief guest on the occasion.

Dr. Ronald P Black, Chief of Agriculture, ATDP, outlined ATDP's role in providing assistance and technical support to subsistence farmers to help them upgrade their businesses to commercial scales as well as helping them link up with agribusiness enterprises as contract growers.

Dr AK Md Habibullah, General Manager of Bangladesh Krishi Bank, said BKB is prepared to provide necessary credit support to worthy potato growers.

The ATDP day long training and demonstration programme, focused on improved methods of fertilizer application, potato planting and other field production practices.

Malaysia, Indonesia to discuss illegal immigrant problem

KUALA LUMPUR, Mar 8: The Malaysia-Indonesia Joint Commission will discuss a sudden influx of Indonesian illegal immigrants that is alarming Malaysia, Malaysian Foreign Minister Abdullah Ahmad Badawi said Sunday, reports AP.

"The mass exodus of illegal immigrants from Indonesia seems unabated despite an understanding between both countries on stemming it," the national news agency Bernama quoted Abdullah as telling reporters at Kepala Batas, 300 kilometres (185 miles) north-west of Kuala Lumpur.

At past commission meetings, he added, Indonesia was asked to help curb the migration of illegal workers to Malaysia.

He said, however, that because of Indonesia's long coastline, it would be quite difficult for authorities there to check its citizens from illegally sneaking out.

In the past two weeks, about 3,000 illegal immigrants landed on the west coast of peninsular Malaysia, compared to 9,000 in all of last year.

On Thursday night, 355 Indonesian illegal immigrants landed in 27 separate groups.

Inspector-General Rahim Noor, Malaysia's top police officer, told the newspaper New Straits Times on Friday, "We expect the problem to get more serious as the economic situation in Indonesia gets worse."

Malaysian law is using the Internal Security Act, which allows detention without trial, against people accused of bringing in or harbouring illegal immigrants.

A policeman and a truck driver have already been detained under the act.

FICCI slams 'rent seeking'

Star Business Report

Foreign investors find high handedness of Customs officials at the ports as the "severest problem" facing them in the country. They say 80 to 85 per cent of the delay at Chittagong port is because of Customs and that rent seeking has risen alarmingly.

They also complain a similar situation prevails in the Bangladesh Bank where decisions are delayed and rent seeking has increased because of gradual deterioration of governance.

They expressed these views at a meeting last week between the Foreign Investors' Chamber

of Commerce and Industry (FICCI) and Finance Minister SAMS Kibria. The FICCI delegation was headed by its president AKM Shamsuddin.

"Discretionary powers at lower levels and deterioration of governance at mid to senior levels, particularly in the ports, is the severest problem we face now," said an FICCI memorandum handed over to the finance minister. "Some say the rates of rent seeking have gone up by more than 50 fold."

"The basic cause seems to be the discretionary powers given to junior level personnel and contradiction in laws," the

memorandum said.

The foreign investors proposed that the Customs law be thoroughly reviewed including all SROs so far issued, in order to remove "contradictions and withdraw all forms of discretions."

The recently issued Bangladesh Bank manual which forbade extension of forward cover came in for severe criticism.

"With our problems at the port and 'not so optimal' banking situation, we wonder if this has really been an investor-friendly decision," they said.

"Issues like getting access to

foreign loans, even on a limited scale, allowing Bangladeshi employees to exercise parent company share option, etc. are still pending with the Bangladesh Bank," the memorandum said.

The foreign investors also demanded harmonisation of tariff structure and exchange rate in line with those prevailing in neighbouring countries.

"The alarming rise in informal border trade is hurting our members badly," the memorandum said. "The consumer goods' marketeers are the worst victims."

Sales policy of Biman to be reviewed soon

The overall sales policy of Bangladesh Biman Airline will be reviewed soon to ensure maximum utilisation of its capacity, reports BSS.

Inaugurating a sales centre of Biman at 42 Kamal Ataturk Avenue at Banani here, Civil Aviation and Tourism Minister Engineer Mosharrar Hossain yesterday underscored the need for strengthening sales promotion of the airline as part of its drive to operate commercially.

He said latest booking techniques would be introduced and long earned experiences of Biman personnel would be utilised for sales promotion so

that no seat remains vacant.

The minister said four new off line booking centres of Biman are expected to be opened within six months after detailed market survey. Two of them will be set up in the United States and one each in Canada and Australia he added.

At present there are three off line booking centres in Athens, Amsterdam and Manchester.

Current annual average booking of Biman is slightly over 70 per cent of its capacity and the target is to raise it upto 75 per cent, it was informed during the opening of the sales centre.

BSCIC estate in Narsingdi limping

NARSINGDI, Mar 8: BSCIC Shilpa Nagari of the district has been facing manifold problems including lack of gas supply, telephone connection, security facility and boundary wall, reports UNB.

According to official sources, the BSCIC industrial estate was established at Karachar area in Shibpur thana, four kilometres from the district headquarters.

It was established on 15.39 acres of land at a cost of Tk 1.93 crore by the side of Dhaka-Sylhet highway 12 years ago with the financial assistance of Bangladesh Small and Cottage Industries Corporation.

The Shilpa Nagari is mainly based on gas supply. About 10 projects are being closed down incurring huge financial loss due to short supply of gas.

The BSCIC Chairman wrote several times to the T&T Chairman since 1993 for telephone connection but nothing has been achieved so far. There is no means to give any urgent information to the fire service located at the district town.

The Match and Sonargaon Watch Factory have already been closed down.

The estate authority approved 95 plots among the small and cottage industry owners. The manufacturing items of the industries are towel, fish feed, match, textile chemicals, engineering materials, packaging products etc. The maximum products are exporting quality.

The owners of the mills and factories appealed to the concerned authority to take necessary measures to solve these problems.

Tofael urges business leaders Explore new export markets for local products

Commerce and Industries Minister Tofael Ahmed has urged the business leaders to work hard unitedly to explore new export markets for the local products, reports UNB.

"Let us work together for rapid export expansion with a view to ameliorating the socio-economic condition of the people," he told the BGMEA office-bearers yesterday.

The newly-elected BGMEA office-bearers, led by its president Mostafa Gulam Qudus, called on the minister at his office here Sunday.

Tofael said the government is playing its facilitatory role for the business community and "we are identifying the businessman as business man."

"The businessmen are also serving the nation through their business... we could have emerged as one of the 20 fast-growing countries in the world if we could maintain our unity in all spheres of life including Parliament for economic development," he said.

Welcoming the decision of BNP in joining Parliament session, the minister said now we can say to the foreign investors and businessmen that there is a political stability in Bangladesh.

Tofael informed that huge incentives are there for foreign investors and our products have preferential market access to developed and developing countries. "We have opened up almost all sectors to private investment."

He called on the BGMEA leaders to supplement the government efforts in maintaining political stability.

The minister urged the BGMEA to attend the 2nd WTO Ministerial Conference to be held in May in Geneva so that LDCs, including Bangladesh, can earn duty-free access status.

Pledging to work unitedly with the government, the BGMEA president thanked the government for allowing a good number of facilities for exporters, particularly the garment exporters.

Fazlul Azim, MP, BGMEA vice-president engineer Nurul Haq Siddik and other office-bearers were present.

Business leader warns of "economic colonisation"

A business leader has warned that Bangladesh will become an "economic colony" if the conditionalities of the World Bank (WB) are conceded to by the government.

In a press statement, Sharif M Afzal Hussain, president of Bangladesh Chamber of Industries (BCI), said Saturday import duties had been reduced from 350 per cent in 1992 to 42.5 per cent from 1993 according to donor's suggestions.

He also said the domestic sector contributed only 45 per cent to the national budget and further reductions in tariff should only take place when local contribution stood at 80 per cent.

According to him, the WB should help Bangladesh reach self-sufficiency when the country enters the zero tariff regime, as envisaged by WTO, in the year 2005. Otherwise, the economy would be in a "shambles", he warned.



Diego Menarin, Managing Director (Far East) of Benetton visited Bangladesh recently to see the prospect of opening two more stores at Dhanmondi and Uttara in Dhaka and one in Chittagong. Benetton of Italy is a leading name throughout the world for producing and exporting wide range of fashion clothing. The Benetton franchise is being operated in Bangladesh by S & Y Co Ltd, a subsidiary of Rangs Electronics Ltd.

'Suharto sees clash between IMF reform, constitution'

JAKARTA, Mar 8: President Suharto acknowledged Sunday that sweeping economic reforms demanded by the International Monetary Fund conflict with the spirit of Indonesia's constitution, a senior politician says, reports AP.

Yusuf Syahir, a leader of the minority Muslim-oriented United Development Party, quoted Suharto as saying IMF demands for a more liberalised economy were not in line with the constitution, which calls for an economy based on cooperatives and "family principles."

"A liberalised economy does not suit the spirit of the 1945 constitution, particularly Article 33," Syahir quoted Suharto as saying.

"The article says Indonesia's economy should be arranged and managed by a family system, with cooperatives as the main pillar of the national economy."

Syahir spoke to reporters after Suharto held meetings Sunday with leaders from five political factions in a 1,000-member assembly that is certain to elect him unopposed to another five years as president on Tuesday.

Suharto did not talk to reporters, and presidential officials were not available for comment.

IMF takes tough line with Suharto

JAKARTA, Mar 8: The decision by the International Monetary Fund to suspend crucial financial aid to Indonesia shows the international community's determination to take a tough line with President Suharto after years of soft-pedalling, diplomats said, reports AP.

The IMF said Friday in Washington it would delay a review of Indonesia's economic reform plan that is required before it can receive a fresh injection of three billion dollars in rescue money.

The review was supposed to take place March 15, and that's not going to happen," an IMF spokesman disclosed. "The point is that Indonesia has not been in compliance" with IMF reform measures.

Indonesia has already received about three billion dollars from the IMF under a 43-billion dollar international rescue package aimed at restoring confidence and stability to its markets and economy.

Although the IMF move itself was not unexpected, its timing, three days before Suharto was due to be confirmed in a seventh five year term as president, was a surprise.

Despite the indications the

international community was prepared to take a tough line with the United States on four occasions pressuring Indonesia to implement the reforms, several diplomats and analysts said.

The IMF was still likely to come up with a face-saving formula for Suharto.

Other cast doubt on the new line, saying that in the past the international community had always taken a softline with Suharto who came to power in 1965-66 by crushing the Indonesian communist party.

At the time the United States was becoming increasingly embroiled in the Vietnam war as it fought to stave off a feared influx of communism in the region.

Suharto's climb to power received the backing of the United States and, at least tacitly of other western countries.

Until the financial crisis broke in the region, countries had also generally turned a blind eye to the corruption in Indonesia, considered the worst country in Asia in this regard, they said.

Western countries had also been intimidated by the vigorous reaction by Suharto to any perceived attempt to interfere.

Zakat Board to spend Tk 15 lakh on projects

The Zakat Board under Islamic Foundation will spend Tk 15 lakh to implement its various projects during the current fiscal (1997-98), reports UNB.

This was disclosed at a meeting of the Board held at the conference room of the Islamic Foundation with State Minister for Religious Affairs Moulana Mohammad Nurul Islam in the chair.

The meeting was informed that the Zakat money collected from different sources are being utilised in different projects as per Sharia.

The projects are, Shishu Hospital at Tongi, sewing programmes at 18 Islamic mission centres of different districts, ideal maktabas at Haluaghat in Mymensingh, stipend for poor but meritorious students, rehabilitation of destitute widows and financial assistance to the poor for medical treatment.

11.51m unemployed in China

BEIJING, Mar 8: China had 11.51 million unemployed at the end of 1997 - including 7.87 state sector workers - and expected the ranks of jobless to increase by 3.5 million this year, Labour Minister Li Boyang said today, reports Reuter.

Exchange Rates

Following is the Sunday's forex trading statement by Standard Chartered Bank, Dhaka

Central Bank USD/BDT Rate: Buying-BDT/46.15/Selling-BDT 46.45

| Selling | | Buying | |
|---------|---------|----------|----------|
| TT/OD | BC | TT Clean | OD Sight |
| 46.5100 | 46.5500 | USD | 45.9350 |
| 76.5090 | 76.5748 | GBP | 74.6444 |
| 25.4849 | 25.5068 | DEM | 24.9919 |
| 0.3672 | 0.3675 | JPY | 0.3571 |
| 31.4533 | 31.4804 | CHF | 30.7461 |
| 22.6271 | 22.6466 | NLG | 22.2110 |
| 28.3598 | 28.3841 | SGD | 27.6937 |
| 7.5955 | 7.6020 | FRF | 7.4788 |
| 32.9835 | 33.0118 | CAD | 32.2448 |
| 5.7855 | 5.7905 | SEK | 5.6376 |
| 31.6268 | 31.6540 | AUD | 30.4326 |
| 11.8648 | 11.8750 | MYR | 11.4417 |
| 6.0151 | 6.0203 | HKD | 5.9472 |
| 12.4692 | 12.4799 | SAR | 12.1984 |

USANCE EXPORT BILLS

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

US Dollar Labor

| Buying | Selling | 1 Month | 3 Months | 6 Months | 12 Months |
|--------|---------|---------|----------|-----------|-----------|
| Cash | 46.05 | 46.60 | USD | 5.68750 | 5.68750 |
| Notes | 45.90 | 46.50 | GBP | 7.50391 | 7.56250 |
| TC | 45.90 | 46.50 | DEM | 127.76/81 | 127.76/81 |

Exchange Rates of Some Asian Currencies Against US Dollars

| Indian Rupee | Pak Rupee | Thai Baht | Malaysian Ringgit | Indonesian Rupiah | Korean Won |
|--------------|-----------|---------------|-------------------|-------------------|------------|
| 39.40/39.60 | 44.006 | 44.300/44.800 | 3.9700/3.9800 | 10500/11000 | 1635/1638 |

Market Commentary

On Sunday trading in the local foreign exchange market was moderately active as the international markets remained closed on weekend. Activities in the interbank market were quite hectic and a drastic fall in the call money rate was observed. The call money rate came down from Thursday's highest rate of 26 pc to 7.5 pc as the market became surplus in funds due to maturity of Treasury bills worth Taka 707 crore. The US dollar traded between Taka 46.42 and 46.45. The call money rate remained steady at the range of 6.8 and 7.5 per cent.

The international foreign markets are closed but on New York closing the dollar maintained its strong tone against the major crosses. They were weaker as concerns intensified that Japan was not doing enough to revive its financial systems. Against the mark dollar was strong due to surprisingly strong US employment report. In New York closing US dollar traded at 1.8345/25 DEM, 127.76/81 yen and GBP at 1.6377/84 USD.

Commodity market: Oil calm, gold dull, sugar lull

LONDON, Mar 8: Commodities from oil to precious metals showed little movement in quiet trading this week as traders played a waiting game, reports AP.

In many markets, a combination of strong supply, the Asian economic downturn and political uncertainties kept markets on the cautious side.

The oil market did not take much heart from a decision by the Organisation of Petroleum Exporting Countries (OPEC) to hold an emergency meeting to discuss the recent slump in crude oil prices.

Analysts said they thought Saudi Arabia unlikely to succeed in bringing other OPEC members, especially Venezuela, into line and respect quotas agreed by the cartel to support prices.

Silver, which soared in London last month, was on hold this week as traders waited for signals from US billionaire Warren Buffett, who has invested heavily in the metal.

Gold slipped, with traders still nervous about sell-offs of bullion by central banks.

Metals saw improved performances led by copper, but analysts said they were unsure whether the price rise would last and warned that aluminium faced long-term problems from a slump in demand from Asia.

GOLD: Dull. Gold prices fell off slightly over the week in the face of a stronger dollar and renewed speculation about sell-offs of bullion by central banks following comments by Portugal's central bank governor

Jose Fernandes De Sousa.

He said the "mythic" value of gold for central bank reserves was no longer justified, adding to investors' fears that the future European Union central bank will not rely on gold for its reserves, dealers predicted further bullion sales by European central banks.

Gold ended the week at 294 dollars an ounce, down three dollars.

However, the market was encouraged by an apparent slowing down of the voluntary gold donation programme in South Korea to prop up the country's central bank.

SILVER: Holding. Silver prices rose slightly in cautious trading. Silver was quoted at 6.38 dollars an ounce up 34 cents.

Investors were waiting for signals from Warren Buffett, the US billionaire whose buying of 20 per cent of the silver market sent prices soaring in February.

Buffett was to receive delivery of his last ounce of silver at the end of the week.

COPPER: Rally. Copper made progress this week, with a three-month high on Thursday, but some analysts warned the metal's strong days were numbered and advised using rallies to sell.

Three-month copper traded at 1,775.5 dollars a tonne, 66.5 dollars up over the week on the London Metal Exchange (LME).

Analysts said an upward correction was underway, but there were questions over how long it would stick.

PLATINUM AND PALLADIUM: Firm. Platinum was

slightly up and palladium station as investors waited for new Russian deliveries.

Platinum traded at 383 dollars an ounce, up five dollars, while palladium stood at 237 dollars an ounce, down 3.5 dollars.

Russia controls about 60 per cent of world palladium supply and 20 per cent of platinum. Delivery delays have kept the Russians out of the market, keeping prices high.

LEAD: Optimistic. Three-month lead prices were stable, rising a slight 0.25 dollars on the LME to 549.75 dollars a tonne. The metal hit 561 dollars a tonne on Thursday, the highest price since January 9, when prices reached 573 dollars per tonne.

ZINC: Rising. Three-month zinc prices were 4.5 dollars a tonne higher at 1,065.5 helped by tight LME stocks.

LME warehouse reserves fell 6,925 tonnes to 466,150.

ALUMINIUM: Weak. Three-month aluminium prices fell over the week by 15.7 dollars to 1,451.3 dollars a tonne.

Prices were able to rally somewhat on the back of copper, but the economic slump in Asia and good supply meant the metal's market is fundamentally weak.

Japanese demand has fallen, and although demand is strong in Europe and the United States, these markets are being served by the excess material from Asia, said an analyst at Merrill Lynch.

NICKEL: Up. Nickel prices shot up on the back of copper and lead, but the market remained nervous about the effect

on prices from Russian production this year.

Helped by tight stocks, with three-month tin trading up 107.5 dollars to 5,442.5 dollars a tonne.

LME stocks sank 505 tonnes to 9,570 tonnes.

OIL: Calm. Brent North Sea crude prices remained broadly unchanged this week, despite attempts by Organisation of Petroleum Exporting Countries (OPEC) to forge a strategy aimed at increasing oil revenues.

The benchmark Brent oil price, for delivery in April, stood at 14.05 dollars a barrel from 14.07 dollars last week.

Prices showed little sign of change after OPEC said that it would hold crisis talks later this month on how best to raise crude prices that have been at the lowest level for four years in recent weeks.

An oil analyst at Salomon Brothers Investment Bank, Gordon Gray, said: "The market is unconvinced that an OPEC meeting will solve anything."

Analysts were sceptical that OPEC meeting will solve anything.

RUBBER: Soft. Rubber prices continued to fall this week. On the Kuala Lumpur market, the RSSI index fell to 2.78 ringgits per kilogramme from 3.02 ringgits last week.

Prices on the London market also fell further this week. Prices for delivery in April fell to 480 pounds per tonne from 505 pounds last week.

COCOA: Warming. Cocoa prices rose slightly amid continued uncertainty surrounding the impact of this year's dry

season on output from Ivory Coast, by far the world's most dominant producer of the sweet beans.

Prices rose by 29 pounds to 1,077 pounds per tonne.

COFFEE: Cooling. Robusta coffee prices fell slightly this week after concerted selling by speculative investment funds.

Prices for delivery in May fell by 70 dollars to 1,630 dollars per tonne. The sharpest falls were seen midweek, but prices recovered some lost ground later in the week.

TEA: Break. There were no sales in the London auction houses this week. Auctions will be held fortnightly until June, when they will come to an end.

SUGAR: Lull. The sugar market remained depressed, having hit a five-year low point last week amid fears of excess supply, but the recent slide in prices petered out as technical trades lifted prices slightly.

Sugar contracts for delivery in August rose by one dollar to 275.80 dollars per tonne.

VEGETABLE OILS: Rise. Key vegetable oils rose slightly this week, recouping some of last week's lost ground. But western markets remained cautious amid predictions of a sharp rise in production.

Soya prices on the Chicago Board of Trade (CBOT) rose by three cents to 6.52 dollars per bushel (of 27.2 kg) for delivery in March.

In Malaysia, palm oil prices rose in the light of losses in the value of the national currency. The ringgit, which attracted bargain hunters on to the market.

Predictions that the coun-

try's palm oil harvest will be seriously affected by earlier drought in some parts of Malaysia - by far the world's biggest producer - also caused prices to rise.

GRAINS: Soft. Wheat prices closed the week at much the same level as last week after fears that cold weather in some parts of the United States might hit output this year lifted.

On the CBOT, wheat was being traded at 3.23 dollars per bushel (of 27.2 kg - for delivery in March) from 3.21 dollars a week earlier.

In Europe, prices fell in the wake of rainfall in China and Argentina - countries that often import large quantities of wheat to satiate demand for the crop.

COTTON: Weak. Cotton prices remained weak amid quiet trade this week.

Dealers were waiting for the publication of figures at the end of the month showing the total land area planted up with cotton in the United States, the data will provide some clues as to the likely size of the coming season's crop.

Estimates of the size of this crop vary from 12.1 to 12.8 million acres.

WOOL: Muffled. The wool market has been unable to build on its strength seen in early February, when strong demand for Merino wool pulled all grades higher.

Prices on the Bradford market remained unchanged at 385 pence per kg.

In Australia, the eastern index rose by two cents to 6.40 Australian dollars per kg.

Moscow seeks stronger US economic ties

MOSCOW, Mar 8: Prime Minister Viktor Chernomyrdin flies to Washington Monday for talks that he hopes will set the course of US-Russian economic relations into the next century, says AP.

Chernomyrdin will meet with Vice-President Al Gore for the 10th session of the Chernomyrdin-Gore commission that meets twice a year in hopes of boosting trade between Russia and the United States.

"The general situation on our planet will largely depend on how Russian-American relations will be built and how our trade and economic cooperation as well as interaction progresses," Chernomyrdin told the ITAR-Tass news agency on the eve of his departure for the four-day visit.

"We want the commission to become a real locomotive in forming relations between the new Russia and the United States in the 21st century," he said.

Chernomyrdin said cooperation in space exploration was one of the successes of the commission, but that problems remained in other areas, particularly in trade.

"I believe we should not look at everything through rose-colored glasses," he said. "There are problems, we are aware of them and are looking for ways to solve them."

As a result of the commission's work since it was created in 1993, the volume of trade rose by 50 per cent, rising to seven billion US dollars, Chernomyrdin said.

But, he said, the full potential of trade and economic relations between the two countries had not been reached. "We wait for more active participation of American investors in modernising the Russian economy," he said.