

Chilean chosen as new ILO chief

GENEVA, Mar 24: The International Labour Organization yesterday chose Juan Somavia of Chile as its new chief to succeed outgoing director general Michel Hasenne, a statement said, reports AFP.

Somavia secured 44 votes from the ILO's 56-member governing body, beating Maria Nieves Confesor from the Philippines, who won 12 votes and was the only other candidate for the top job.

Somavia, 57, was expected to win the race since he had the backing of the United States and several European countries. He will take up the post in March 1999, when Belgium's Hansenne, who was re-elected to a second five-year term in 1994, steps down.

Somavia is currently Chile's permanent representative to the United Nations in New York and led the Chilean delegation as non-permanent Security Council member in 1996 and 1997.

Considered an effective diplomat, he won praise for organizing the UN social summit in Copenhagen in 1995.

Fluent in Spanish, French and English, Somavia has acted as consultant for various financial, development and trade organizations including the UN Conference on Trade and Development and the General Agreement on Tariffs and Trade.

Scarcity of TSP, SSP

Urea price stable in northern region

NAOGAON, Mar 24: The price of urea fertilizer during the current Irri-Boro season remains stable in the 16 northern district including Naogaon, reports UNB.

Sources said urea fertilizer is being sold for Tk 280 to Tk 300 per 50-kg bag as the stock is satisfactory in the region.

But the farmers are facing severe scarcity of TSP and SSP fertilizers which are most essential for the Boro crops.

Local farmers said the supply of TSP and SSP is much lower than the demand and prices are also higher. A 50-kg bag SSP is being sold for Tk 700 to Tk 800 and TSP nearly for Tk 1000.

According to a reliable source, TSP and SSP production in Bangladesh can hardly cope with the one tenth of the total demand. Hence, the farmers are to depend on the imported TSP and SSP fertilizers.

But the dealers are found reluctant to lift their allotted quota of the imported TSP and SSP fertilizers as the cost is comparatively higher than the indigenous one. As a result, the shortage of TSP and SSP is acute in the northern region.

The government has imported Di-Ammonium Phosphate (DAP) equivalent to TSP and SSP during the current season. But the dealers are reluctant to market the new fertilizer which is quite unfamiliar to the farmers. As a result, government initiative is facing a setback.

REB efforts praised in US

America's National Rural Electric Cooperative Association (NRECA) during a conference held recently in Tennessee, USA, gave high marks to the efforts of Rural Electrification Board (REB) in Bangladesh in reaching electric power to the far flung areas of the people in rural areas, reports BSS.

While appreciating the good work of carrying out the electrification programme in the country, NRECA's annual meeting had stated that the "success and effectiveness of Bangladesh's cooperative model has gained international recognition," a press release said.

Brigadier MA Malek, Chairman of Reb, joined former US Joint Chief of Staffs General Colin Powell in addressing the members of NRECA at its 56th annual meeting which ended on March 11.

Cummins Wartsila gives presentation on gas engines

Cummins Wartsila, a joint venture between two large multinationals, Cummins Engine Company of USA and Wartsila NSD from Zurich, gave a presentation at a city hotel on Monday.

The seminar gave an introduction to the Joint Venture and the new range of gas engines that is being introduced in Bangladesh by Beximco, says a press release.

Cummins and Wartsila pooled together their technological expertise to develop the most modern and fuel efficient range of gas and diesel engines. The gas engines will be available from 1.2 MW to 3.2 MW whereas the diesel engines are upto 35 MW.

The engines are available in standby mode for peak shaving and on base load for continuous duty application.

SEC sets new limits for price fluctuations

The Securities and Exchange Commission has withdrawn its much-debated 10 per cent flat rate "circuit breaker" earlier imposed on share prices of both the Dhaka and Chittagong Stock Exchanges, putting in place a new system of control on price fluctuations.

The SEC has come up with new guidelines under which upward and downward price limits of a stock would be determined by the stock exchanges themselves, the SEC announced yesterday. The new rules will take "immediate effect".

A committee styled "Share Price Movement Regulating Committee (SPMRC)" to be formed by the stock exchanges will act according to the guidelines. Only stock exchange officials, not the members, would be on the regulating committee.

The SEC, whose negligence was partly blamed for share market crash in November 1996, also said the fresh guidelines were part of capital market reform programmes financed by the Asian Development Bank.

The guidelines as announced by the SEC are as follows:

Previous day's per share market price	Limits
Upto Tk 200	20% but not exceeding Tk 35
Tk 201 to Tk 500	17.5% but not exceeding Tk 75
Tk 501 to Tk 1000	15% not exceeding Tk 125
Tk 1001 to Tk 2000	12.5% not exceeding Tk 200
Tk 2001 to Tk 5000	10% not exceeding Tk 375
Tk 5001 and above	7.5% not exceeding Tk 600

1. Standard upward and downward price limits over the

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previous day's market price applicable for each market day.

2. In case of new issue, trade may be allowed for first five consecutive market days, and after that above limits will be applicable.

3. In case of receipt of any price sensitive information like rights issue, bonus issue and dividend from the listed company, free trade may be allowed for subsequent three consecutive market days, and after that above limits will be applicable.

4. In case securities not traded for previous consecutive 30 market days, free trade may be allowed for subsequent three market days, and after that above limits will be applicable.

5. The SPMRC shall refer to the Disciplinary Committee of the stock exchange any bid, offer, transaction, if deemed to be an anomaly, endorsing a copy thereof to the SEC.

6. The stock exchanges shall ensure compliance with these guidelines.

7. The above guidelines may be reviewed by the Commission from time to time in order to ensure orderly markets and also to address the practical aspects.

"During 1995-1996, the Dhaka Stock Exchange had own circuit breaker system which was also withdrawn by DSE in mid 1996. But the modalities of the system and reason for withdrawing the same were not known to anybody else," the SEC said in a statement. "Subsequently when the share prices on DSE were soaring irrationally the Commission had to direct the stock exchanges to impose circuit breakers in October 1996 in the public interest at existing flat rate system which has now been withdrawn."

Speed up automation process, SEC tells bourses

DSE forms committee to hear clients' complaints

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The Dhaka Stock Exchange Council on Monday formed a five member committee comprised of former district judges to hear and dispose of complaints from clients.

The members of the committee are M Abdul Ahad Chowdhury, M Abdul Rab Mollah, A F M Hafizullah Bhuiyan, Abdur Rab Miah and Moniruzzaman, according to a DSE press statement yesterday.

Meanwhile, the Advisory Committee of the Securities and Exchange Commission (SEC) at its fifth meeting yesterday called upon all market forces to join hands in developing the market.

"The members of the committee agreed that some of the measures like automated trad-

Alamgir inaugurates seminar at CIRDP

Govt firm to remove scourge of poverty

State Minister for Planning, Science and Technology, Dr Mohiuddin Khan Alamgir, yesterday reiterated that the government is committed to removing the scourge of poverty and secure a decent living for every citizen of the country within the shortest possible time, reports BSS.

"We need to accelerate our rate of economic growth more than the present level of about six per cent to be freed from the shackles of poverty and sufferings," he said while inaugurating the national seminar on poverty monitoring jointly organised by CIRDP and Bangladesh Bureau of Statistics (BBS) in CIRDP auditorium here.

Presided over by the Secretary of Statistics Division and Director General of BBS Waliul Islam, the function was addressed, among others, by Director General of CIRDP Dr A V S Reddy and Director-Research Dr Mustafa K Mujeri.

Muhiuddin Khan Alamgir said, the present government has initiated a wide array of development programmes and projects to address all areas of our demographic, social and economic environments for removing poverty from the country.

He opined that the poverty alleviating impact to such joint government and NGO initiatives required regular monitoring.

Romanians keen to invest in jt venture projects

The visiting 12-member Romanian trade delegation on Monday showed interest in undertaking joint venture in textile, ball-bearing and vehicle manufacturing plants in Bangladesh, reports UNB.

The delegation meeting with Dhaka Chamber of Commerce and Industry (DCCI) in its conference room, also identified areas of expanding bilateral trade between the two countries.

DCCI leaders proposed for organising a 'Bangladesh Fair' in Romania to give the Romanian consumers and traders an idea of Bangladesh's products.

They also felt the need for setting up banking services and air links between the two countries.

The visitors inquired about the market in Bangladesh of Romanian thermo-plastic molding components, and interest in buying plastic and rubber sleepers from Bangladesh.

Romanian delegates said they are in position to extend technical support to set up textile, vehicle chassis and transport machinery plants.

Romania imports mainly jute, leather, tobacco, garments and fish from Bangladesh, while exports fertilizer, steel, transport equipment, machinery spares.

DCCI president R Maksud Khan said the trade volume between the two countries is very low, but there are scope for boosting it.

Marian State, director of Asia-Oceania Division in Romanian Ministry of Commerce and Industry who led the delegation said 25 industrial units were set up in Romania under joint venture with Bangladeshi companies who invested 120 million dollars.

SCB workshop on payment under CHIPS system held

Institutional Banking, correspondent banking arm of Standard Chartered Bank, organised a workshop on 'inter-bank payments under CHIPS system' for the foreign trade officials of Uttara Bank Ltd on Monday, says a press release.

Geoff Williams, Chief Executive of SCB, Bangladesh while inaugurating the workshop focused on the training need of the customer banks to upgrade their skills in the line with modern payments system to face future challenges.

The workshop was conducted by Kanti Kumar and Towhid Islam. Thirteen officials from Uttara Bank Ltd participated in the workshop.

BCIC incurs losses in 7 yrs, Tofael tells JS

Minister for Commerce and Industries Tofael Ahmed yesterday told the Jatiya Sangsad that the Bangladesh Chemical Industries Corporation (BCIC) had incurred losses for seven years and made profits for 14 years at different times since its establishment in 1976, reports BSS.

Inheriting huge loss of the corporation the government has taken pragmatic steps to minimise it and this year the loss would be less than before, the minister said in reply to a question from JP member Zinat Hossain.

The fourteen profit making years of the corporation were 1976-77, 1978-79 to 1985-86 to 1987-88, 1989-90, 1992-93 and 1993-94 while it incurred losses in 1977-78, 1986-87, 1990-91, 1991-92 and 1994-95 to 1996-97 financial years.

Replying to a supplementary question from the same MP the minister said there was no accountability and transparency in the industrial sector during the past government. In this regard he referred to the KAFCO, which incurred huge loss every year.

The KAFCO project in which the government owns 88 per cent share was initiated by the Ershad government and implemented by the BNP government, the minister said.

Listing the causes of loss, the minister said the BCIC incurred a loss of Taka 2.05 crore in the year 1977-78 as the corporation took over the management of the already loss making Sylhet Pulp and Paper Mill of the BFIDC.

The BCIC incurred a loss of Taka 5.49 crore in the fiscal 1986-87 as it did not raise the prices of urea, TSP and newsprint keeping pace with

MCCI condemns public disclosure of loan defaulters' names

Star Business Report

The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka in a statement yesterday condemned the disclosure of the names of bank loan defaulters in the Jatiya Sangsad.

It also urged the government to ensure that such public disclosures are avoided in the future.

The organisation also strongly urged that the central bank's directives for suspension of credit facilities to any firm having relationship with another firm with classified loans be withdrawn immediately.

"The disclosure amounted to breach of confidentiality which should exist between a bank and its clients and also because in several cases, the names of borrowers have been incorrectly mentioned as defaulters," the statement signed by MCCI President Laila Rahman Kabir said. "We feel that such lapses are regrettable and will not help the morale of the business community in the prevailing difficult business conditions."

The MCCI observed that firm measures to recover the overdue loans should be taken based upon bank-client relationship. It also suggested grouping the

defaulters into four categories :

- a) borrowers who have not invested the loans in the concerned projects,
- b) borrowers who invested in the relevant projects which are operating profitably, but loans are not being repaid,
- c) borrowers who have duly invested loans in the projects but the projects ran into difficulties and are not in a position to repay the loans and
- d) borrowers who have duly invested the loans but have incurred genuine business difficulties, but will be in a position to recover, given fiscal, tariff, credit and other policy support from the government.

The chamber suggested that those falling into category (a) and (b) are willful defaulters and that punitive actions must be taken against them.

But the other two categories deserve to be treated differently, MCCI maintained.

It said the rising trend of defaulting suggest something fundamentally wrong in the selection of borrowers, loan appraisal procedure, monitoring system, and overall portfolio management in the banks.

Deterrent actions against the delinquent borrowers alone

will not, therefore, solve the bank problems," it said.

"It is in the national interest to ensure that while tackling the problems of overdue bank loans, the country's trade and industry are not harmed," the statement said.

The MCCI also criticised the Bangladesh Bank's directives under which credit facilities remain suspended to any individual/firm having relationship with another firm/enterprise with classified loans.

"This has caused immense problems to industries which are already in operation. They are turning into sick enterprises for lack of credit facilities," it said.

The chamber suggested for forming a committee consisting of officials from finance ministry, Bangladesh Bank, and private sector representatives to review the orders regarding suspension of credit and to prepare fresh guidelines to help the banks recover overdue loans.

Bankruptcy cases should be filed against willful defaulters while legal actions must be taken against the bank officials who are found guilty of having colluded with the willful defaulters, it said.

The defaulting borrowers

Responding to a query from Jaijal Abedin Hajari, MP, of the Awami League, Finance Minister S A M S Kibria placed in parliament on March 4 a list of defaulting borrowers as provided by the Credit Information Bureau, Bangladesh Bank. The list contains names of 217 businesses having an overdue amount of at least one crore taka or above. Considering the reader interest, The Daily Star is publishing the list in phases.

- 928. M/s Khalil Textile Mills Ltd BSCIC I/C, Jessore
- 929. Orient Trading Co 31, DK Roy Road, Khulna
- 930. M/s Chittaranjan Cotton Mills Ltd Godenail, Narayanganj
- 931. M/s Jaba Garments Ltd 62, East Nasirabad, Chittagong
- 932. M/s North Bengal Razor Blade Mfg. Co Ltd Matdail, Bogra
- 933. M/s Noami Apparels Ltd 162, Mailbagh, Chowdhury Para, Dhaka
- 934. Azhar Rahman & Sons (G.L) Varar Hat, Copalganj, Gopalganj
- 935. M/s Master Ties, Ltd 249-250, Tejgon 1/3/A, Dhaka
- 936. M/s Pharmaco International Ltd 30/B Purana Paltan Lane, V.I.P Road, Dhaka
- 937. M/s Shampa Engg. Works College Gate, Bakalia, Chittagong
- 938. M/s Alisco Automatic Biscuite Factory House No 11, New Road No 4, Dhanmondi, Dhaka
- 939. M/s Palli Textile Ltd 73, Outer Circular Road, Haghzard, Dhaka
- 940. Majdee Tannery Ltd 41/23-A Zigatala, Dhaka
- 941. M/s Adamjee Sons Ltd 115/120, Adamjee Court, Motijheel C/A, Dhaka
- 942. M/s Bengal Textile & Finishing Ltd 101, Sarath Gupta Road, Dhaka
- 943. M/s Intence International Shamolina Building, 4/7, New Chashara, Narayanganj
- 944. M/s Hammad Cloth Store Bhandari Monji, Rangpur Road, Baragola, Bogra
- 945. M/s Rahmatullah Fabrics Ltd Barabogh, Narayanganj
- 946. M/s P.K. Corporation 241, S.A. Siddiqui Road, Reazuddin Bazar, Chittagong
- 947. Md. Shawkat Ali 8/2, Rankin Street, Wari, Dhaka
- 948. The Renaissance International 65, Dilkusha C/A, Dhaka
- 949. M/s Jem Rice Mills Limited BSCIC Industrial Estate, Rajshahi
- 950. M/s Dimond Trading 60/1, Purana Paltan, Dhaka
- 951. M/s Raj Garments Limited BSCIC Industrial Estate, Sopura, Rajshahi
- 952. M/s K.S.R. Impex 365, Korbanigonj, Chittagong
- 953. Tulip Textile Mills Ltd Ghoraghat, Dinajpur
- 954. M/s D.R.T.C. Fish Freezing Co Ltd 40/A, Jhigatala, Dhaka
- 955. M/s Marna Apartment Droye 67, Tajgaon Industrial Area, Dhaka
- 956. The Strichar & Comp Ltd 18, DIT Avenue 4/F, Dhaka
- 957. M/s Ebrahim Steel Re-Roig & Inds. (Pvt) Ltd 17/5, Indira Road, Dhaka
- 958. M/s Alliance Garments Ltd House-8, Road 3, Section 7, Mirpur I/A, Dhaka
- 959. M/s Masud Enterprise KA 53, South Mohakhali, Dhaka
- 960. M/s Touhid Engg. Ltd 122/C Kakral Road, Shantinagar, Dhaka 1207
- 961. M/s Eshna Ltd 45, Bhajhari Saha Street Narinda, Dhaka
- 962. M/s K.H.R. Navigation Co Ltd 5/A, Sir Syed Ahmed Road, Mohamndpur, Dhaka
- 963. M/s Mobarak Re-Rolling Mills Ltd 396/10, Sk. Mujib Road, Chittagong
- 964. M/s Joy Silk Ltd Patuapara, Dinajpur
- 965. M/s Chans Towels Ind. (Pvt) Ltd 140, Gulshan Avenue, Rd No 98, Dhaka
- 966. Sonali Silk Mills Ltd Vill-Narabag, Po Demra, Ps. Demra, Dhaka
- 967. M/s Sun Light Tannery 122, Gazmahal Hazarbagh, Dhaka
- 968. M/s Huq Traders 16/2 S.M. Maleh Road, Narayanganj, Narayanganj
- 969. Hingaja Tea Estate Fallichit Amberkhana, Sylhet
- 970. M/s Nana Jute Enterprise Ltd 165, New DOHS, Mohakhali, Dhaka
- 971. M/s Atfab Textiles (Pvt) Ltd Atua Road, Pabna
- 972. M/s Panchasar Cold Storage & Agro-Fisheries Mukterpur, Panchasar, Munshigonj
- 973. Meghna Cycle Industries Ltd Murapara, Rugganj, Narayanganj
- 974. M/s Mamata Garments Ltd 149, Kalabagan 1st Lane, Dhanmondi, Dhaka

To be continued.

Exchange Rates

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

Central Bank USD/BDT Rate: Buying-BDT46.15/Selling-BDT 46.45

Selling	Buying	TT Clean	OD Sight Doc	OD Transfer
46.5100	46.5500	USD	46.1100	45.9350
78.4159	78.4833	GBP	76.9115	76.6196
25.6112	25.6333	DEM	25.1144	25.0191
0.3619	0.3623	JPY	0.3520	0.3506
31.4469	31.4740	CHF	30.7605	30.6438
22.7211	22.7406	NLG	22.3077	22.2303
29.0888	29.0938	SGD	28.4630	28.3549
7.6271	7.6337	FRF	7.5110	7.4825
33.0327	33.0611	CAD	32.2899	32.1674
5.9023	5.9074	SEK	5.8000	5.7780
31.5803	31.6075	AUD	30.3865	30.2712
13.3649	13.3764	MYR	12.4959	12.4485
6.0114	6.0165	HKD	5.9443	5.9217
12.4692	12.4799	SAR	12.1984	12.1521

Usance Export Bills

TT DOC	30 Days	60 Days	90 Days	120 Days	180 Days
46.0150	45.7310	45.3520	44.9162	44.2425	43.3813

Libor

Buying	Selling	1 Month	3 Months	6 Months	12 Months
46.05	46.60	USD	5.68750	5.68750	5.71094

TC 46.50 46.50 GBP 7.50000 7.52520 7.52520 7.52520

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	44.00/60	38.15/38.65	3.5825/3.5875	8600/8800	1399/1406

Market Commentary

Trading in the local foreign exchange and money market was active on Tuesday. Demand for US dollar remained steady and it traded between Taka 46.43 and 46.45, while the call money rate was slightly lower and ranged between 6.30 and 6.75 pc.

In the international foreign exchange markets, US dollar was slightly lower against the Japanese Yen in early hours amid fears of intervention by Bank of Japan. However, later dollar gained above 130 Yen level. Against the Deutsche Mark, US dollar ranged above 1.82 range as market remains cautious ahead of the meeting of the European Finance Ministers due this weekend. Rise in oil price supported Pound Sterling's rise. At 1840 hours local time US dollar trade at 1.8280/85 DEM, 130.22/31 Yen and GBP at 1.6753/1.6760 USD.

Global export growth hits record high in '97

WASHINGTON, Mar 24: Global export growth reached a near record in 1997, says the World Trade Organization (WTO), which warns that 1998 growth prospects "remain clouded" by the uncertainty over the impact of the Asian financial crisis, says USIS.

The WTO reported yesterday that the dollar volume of world merchandise exports grew 9.5 per cent in 1997, the highest rate of trade growth recorded in more than two decades, with the exception of 1994's 10 per cent growth.

A moderate slowdown in global economic activity is expected to cut export growth by two or three percentage points in 1998, which would still leave the level of global trade expansion above the rate recorded in the first half of the 1990s, the WTO said.

Much of the 1997 export growth was attributed to strong economic growth in North America and South America; both regions recorded a higher share in world trade than they had attained in more than a decade, the report said.

Latin America's 12.5 per cent export growth in 1997 followed an 11 per cent expansion in 1996. In North America, exports expanded by 10.5 per cent. Some slowdown in these regions is expected in 1998, the WTO said.

Export growth was 8.0 per cent in Europe in 1997 (nearly double the 1996 rate and led by export recovery in Germany, France, Spain, Ireland and Turkey) and 11.0 per cent in the transition economies, up from 7.5 per cent in 1996.

While Asia's economic growth slowed in 1997 compared to 1996, the region still

increased its exports by 11.5 per cent — more than triple the 3.5 per cent 1996 growth rate.

The WTO notes, however, that if exports are measured by changes in the dollar value, reflecting the US dollar's sharp rise over the last year relative to many other currencies, world trade growth was much more moderate.

The "dollar value" of exports of merchandise and commercial services in 1997 reached a record \$6,590,000 million — \$ 5,295,000 million in merchandise and \$ 1,295,000 million in commercial services, up three per cent and two per cent respectively, from 1996 levels.

In the Middle East, the dollar value of exports stagnated as crude oil prices fell by six per cent on average in 1997. In Africa, export earnings rose three per cent in dollar value

terms, far below 1996's 11.5 per cent growth, reflecting lower commodity prices for most non-beverage food items.

As in the past, worldwide trade in manufactured goods expanded at a rate above total merchandise trade growth. Among the three broad sectors of commercial services, growth