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Tk. 25,000

# The Daily Star

## BUSINESS

DHAKA MONDAY, APRIL 13, 1998

**HYUNDAI**  
CARS THAT MAKE SENSE

### Special IJO session

A special session of the International Joint Council will be held at the International Conference Centre here on Thursday, reports UNB.

Delegates from the IJO exporting and importing member countries will attend session to be presided over by Li Enheng of China, said an IJO press release yesterday.

It said the special session of the Council has been called to mainly discuss the appointment of the next IJO Executive Director.

In the last Council session, held from 21-23 March 1998, the votes were stalled as none of the candidates got the required support from both the exporting and importing groups of members.

The special session will also discuss the draft administrative budget of the IJO Secretariat for the year 1998-99.

### Prime Bank's programme

Prime Bank has arranged a customer service month from April 15.

The month will continue till 15th of next month, says a press release.

The service marks the third anniversary of the bank's commencement of business.

During this period, branch managers will hold meetings with their customers and ensure speedy disposal of all customers' proposals. Head office executives will participate in these meetings also.

Prime Bank has adopted "speed" as its slogan for 1998.

A survey will be conducted to improve customer service.

### BCI chief leaves for US today

President of Bangladesh Chamber of Industries Sharif M Afzal Hossain leaves here for the United States today for a month-long visit at the invitation of the US government, reports UNB.

The BCI President will attend "United States Information Agency's International Programme," beginning on Thursday, said a press release.

The programme "Globalisation of business and markets," a multi-regional project will begin in Washington DC on Thursday where main attention will be focused on the US government's Federal System and the policy making process and how a global economy affects the process of the project, discussion on International Finance and Investment will be held in New York on April 22. Meetings and discussions will also be held there with financial journalists, analysts, financial institutions and others.

### Chinese peasants duped in pyramid scheme

BEIJING, Apr 12: As many as 120,000 Chinese peasants have lost their money in a pyramid scheme run by the affiliate of a Taiwan firm, reports said Saturday, adding some 20,000 of them were still gathered in the central city of Wuhan, says AFP.

Despite calls from officials and police 20,000 of the peasants had refused to leave the town where they had gathered to try to get their money back, the official Workers' Daily said.

The report said 50,000 peasants had originally gathered in the town from last month despite a move by officials in Wuhan on March 1 to ban pyramid schemes.

A company called Xintian, an affiliate of an unnamed Taiwan corporation, has been accused of recruiting up to 120,000 people into the scheme to sell rocking chairs, the newspaper said.

### Govt examining recommendations on frozen food sector

## Exemption of loan interest suggested

To boost export of frozen foods, the government is examining a package of recommendations which were made after identifying the problems in the sector, sources at the Commerce Ministry said, reports UNB.

A committee, formed by the government task force, made the recommendations for the 100 per cent export-oriented sector which is based entirely on local raw materials.

The recommendations include exemption of interest on loans and penal interests as well as fresh loans and soft-term loans for modernising the factories as per new standard principles of EU and USA.

The committee recommended rehabilitating the factories which had to be closed for reasons beyond their control

and to provide special facilities for liquidation of loans of those units which will not be profitable after rehabilitation.

It emphasised the implementation of a decision taken at the meeting of the national committee on export to provide 100 acres of 'khas' land for every frozen food processing industries to boost exports.

Since export of frog legs remained suspended since 1988-89 in the name of ecological balance, the country was losing Tk 200 crore every year because of the ban, the committee said.

It recommended allowing cultivation of frogs and export of their legs saying that out of 35 species available in the country, only legs of one species of frogs — Rana Tigrina — are exportable.

The committee mentioned

that the fish processing units are to take compulsory insurance cover each year spending crores of taka, but none of them received payment against their claims for damage.

For this, the committee recommended taking a decision on principle for a separate Comprehensive Insurance Policy and giving No-claim Benefit as "risk cover" for the processing units.

Bangladesh began the export of frozen foods in 1972-73 fiscal by exporting shrimp worth Tk only 2.78 crore. But it stood at Tk 1,365.65 crore in 1996-97 fiscal.

The exports of frozen foods in the 1994-95 and 1995-96 financial years were Tk 1,226 and Tk 1,283 crore respectively, official figures showed.



Khondokar Rashidul Hoq, Chairman of Bangladesh Parjatan Corporation, seen with the members of the Singapore Investors' Forum who visited Dhaka recently.

## Thailand likely to lower interest rates

BANGKOK, Apr 12: Struggling to save Thai businesses reeling from the economic crisis, government ministers have agreed to take steps to lower crippling interest rates and make loans easier to get for cash-strapped sectors, reports AP.

The plans were drawn up in a meeting Saturday called by Prime Minister Chuan Leekpai in response to looming disaster among Thai businesses drowning in high interest rates and reluctance by banks to make loans.

The Nation newspaper reported that the ministers agreed to make the Bank of Thailand and commercial banks work more closely to ensure tighter control on loans to various businesses to prevent problems that could hurt the economy.

The ministers also decided to speed up the release of loans from foreign sources and increase liquidity through the Export-Import Bank and commercial banks, with priority given to agriculture, manufacturing and service, The Nation reported.

The government should issue an executive decree to authorize the issue of long-term bonds with the Finance Ministry as guarantor to limit borrowing from short-term financial markets.

Chuan has managed to restore a measure of confidence in Thailand's economic since taking office five months ago at the height of the Asian economic

crisis, but problems, still loom for businesses as the country grapples with recession.

Many otherwise sound firms are unable to get access to fresh operating capital due to the reluctance of banks, still tottering from years of bad loans that precipitated the crisis, to make new loans or lower interest rates to borrowers.

The Bank of Thailand cut repurchase rates on Wednesday and said long term bonds would be issued in a few months to ease competition by commercial banks for deposits keeping short-term interest rates dangerously high.

The repurchase rate, which the central bank charges commercial banks for short-term funds, has dropped 3.375 percentage points from 23 per cent since March 9.

The central bank also wants to stop what Assistant Governor Tanya Srivivehdi called an "interest rate war" among commercial banks competing for deposits by raising rates.

Part of the problem revolves around four failing commercial banks recently taken over by the government which, as part of their rehabilitation, have had funds made available enabling them to pay high interest rates to attract deposits.

Larger, more successful banks, seeing deposits bleed away, are raising their rates paid on deposits in order to compete, contrary to the government's desire to see overall rates lowered.

### Iranian travellers have to pay more for dollars

TEHRAN, Apr 12: Iranians travelling abroad have to pay more for their dollars under a central bank decision which came into force this week following a slide in the Iranian currency, the press reported Saturday, reports AFP.

The bank has set the dollar exchange rate for travellers at 4,795 rials from 3,000 rials, the official rate since May 1995.

That rate is close to the level used for certain commercial export transactions and the black market rate of more than 5,300 rials to the dollar.

Last month, newspapers announced government plans to tighten restrictions on dollar sales to Iranians travelling abroad as the country's hard currency oil receipts have tumbled.

Iran's bank, all of which are nationalised, currently are permitted to sell between 300 and 1,000 dollars to private individuals travelling outside Iran according to the destination.

In an effort to slow the devaluation of the Iranian currency, Tehran in 1995 established an official exchange rate of 3,000 rials to the dollar for commercial operations, and 1,750 rials for budgetary calculations.

Despite the measures, the rial remains under heavy downward pressure, mostly due to the worldwide fall in crude oil prices. Iran receives 80 per cent of its hard currency earnings from oil exports.

### EDC proposes to finance projects

## Canadians eager to invest in Bangladesh

Canada is eager to invest in major sectors of Bangladesh and to this effect its official export credit agency, the Export Development Corporation (EDC), has submitted proposals to finance a number of projects both in public and private sectors.

A senior official of the EDC told BSS that his organisation has approached the public sector with at least five proposals to finance projects in power, railway, pulp and paper, telecommunications and aviation. The EDC has proposed to finance projects of two private sector telecom companies, he said.

Anis Karim, Regional Manager of Asia and the Pacific Region of EDC, talking to BSS said, both the government and the private sector entrepreneurs are studying the proposals and he is awaiting a positive reply.

Referring to eagerness of the Canadians to invest in Bangladesh, Karim said representatives of globally renowned Canadian cooperatives who have proven expertise in power, telecom, pulp and paper, railway and aviation have already visited Bangladesh. Many more companies will come here soon, he said, executives of A and C-Laba Lin, Agra Monoco, Bombardier, Northern Telecom, Canadian Industrial Corporation, Cowan, GBNL, GM Canada and Sydney Steel have already visited Bangladesh with the initiatives of the EDC, Karim said.

At present the EDC's short term financing to some insurance companies of Canadian exports to Bangladesh is close to 100 million dollars, he said.

The EDC, which gets 85 per cent of its fund supply from Canada and the rest from the Euro market as loan, has been financing projects worth billions of dollar around the globe through Canadian investors, Karim said.

Talking on the size of EDC

financing in the South Asian countries, he said the organisation has been financing crucial projects in almost all the SAARC countries. Karim said his organisation has mobilised finance worth two billion US dollars to different sectors of India including the power, telecom, aviation, railway and mining. A single power project in Himachal Pradesh was built with EDC loan worth 500 million US dollars.

The EDC finance in different projects in Pakistan is about three million dollars, Karim added.

Referring to the offer of his organisation, Karim said, "EDC is the only among the handful of exim banks that has taken such a positive view on Bangladesh and expect to finance a number of projects of national importance in near future."

Although the idea of export financing credit is not new in the region, it's new for Bangladesh, so it will obviously need time, patience, familiarisation and trust building for both Bangladesh and EDC to reach long-term deals, he observed.

Asked for comments on the recent crumbling of South Asian economies due to sudden withdrawal of short-term commercial loans by the foreign lenders from those countries, Karim said: "We do not have a short-term plan like the commercial banks or international capital market investors."

The EDC after years of monitoring is encouraged to involve in long-term investment in Bangladesh since "the country has managed to bring its inflation down, lower its external debt service ratio, achieved expected GDP growth and attained second strongest balance of payment position in the region," Anis Karim added.

### Exchange Rates

Following is the Sunday's forex trading statement by Standard Chartered Bank, Dhaka. Central Bank USD/BDT Rate: Buying-BDT46.15/Selling-BDT 46.45

TT/OD	EC	Currency	TT Clean	Buying	OD
			OD Sight	Doc	Transfer
46.5100	46.5500	USD	46.1100	45.9356	45.8366
78.2903	78.3576	GBP	76.6717	76.3807	76.2171
25.6607	25.6828	DEM	25.1555	25.0600	24.9655
0.3655	0.3658	JPY	0.3566	0.3553	0.3545
30.9180	30.9446	CHF	30.2301	30.1154	29.9919
22.7756	22.7952	NLG	22.3499	22.2650	22.1851
29.5302	29.5556	SGD	28.4630	28.3549	28.2419
7.6387	7.6453	FRF	7.5212	7.4926	7.4729
32.8809	32.9092	CAD	32.1324	32.0105	31.8752
5.9274	5.9325	SEK	5.8245	5.8024	5.7877
30.9989	31.0256	AUD	29.7871	29.6740	29.4729
13.1199	13.1312	MYR	12.2146	12.1682	12.1518
6.0098	6.0150	HKD	5.9424	5.9198	5.9094
12.4692	12.4799	SAR	12.1984	12.1521	12.1357

Usage 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		Libor				
Buying	Selling	1 Month	3 Months	6 Months	12 Months	
Cash	46.05	46.60	USD 5.6625	5.65625	5.68750	5.78125
Notes	45.90	46.50	GBP 7.5000	7.5078	7.54688	7.53906

Exchange Rates of Some Asian Currencies Against US Dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
39.52/39.54	44.4125	39.700/40.000	3.6450/3.6750	7700/8000	1384/1387

### Market Commentary

On Sunday, the local market re-opened after a long Eid vacation. Trading was moderately active as market players are still in a holiday and festive mood. The call money rate was lower than the closing of 12pc and 20 pc on April 6, 1998, and the interbank call money rate is reported to have ranged between 9 pc and 12 pc. Trading of US dollar against taka was quite active due to settlement of import payments after the vacation. In the interbank market US dollar traded between BDT46.4450 and BDT 46.4500.

The international markets remain closed due to weekend but in New York closing on Friday yen firmed strongly against US dollar as Japan announced its much-awaited stimulus package and fear of Bank of Japan's intervention grew. New York market on Friday closed for US dollar at 1.8236/38 for DEM, 128.77/78 for yen and at 1.6715/25 against GBP.

## The defaulting borrowers

Responding to a query from Jaina 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 2117 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.

- M/s Appco Ltd, 1/1, and 1/2, Mirpur Industrial Estate, Zoo Road, Mirpur, Dhaka
- M/s Shah Dyeing & Finishing Mills Ltd, 31, B.B. Avenue, Dhaka
- M/s Clementine Ltd, 102, Kazi Nazrul Islam Avenue (9th Floor), Kawran Bazar, Dhaka
- M/s Shanti Trade & Co, Nicha Bazar, Natore
- M/s Mona Food Industries Ltd, 146/4, Green Road, Dhaka
- M/s Islam Vegetable Oil Mills Ltd, Nasirabad, Chittagong
- M/s Bombay Textile Mills Ltd, Dhaka Road, Serajgong
- M/s Poonam Garments Ltd, 160 (North), Gulshan Avenue, Dhaka
- Means Textile Mills (Pvt) Ltd, Mouchak, Kaliakoir, Gazipur
- M/s Sonargaon Textile Mills Ltd, 51, Katpatty Road, Barisal
- Hossain Polythene Store, 2, Begumbazar Road, Dhaka
- Kazi Zakir Hossain, House No New (B) 31, Road No 63, Gulshan Model Town, Dhaka
- M/s Tangal Cotton Mills Ltd, Gora, Mirzapur, Tangail
- M/s Hoque Salt Crushing Ind Ltd, Napitkhali, Islampur, Cox's Bazar
- M/s Dinajpur Fibres, Road NO 13/A, House No 13, Dhanmandi, Dhaka
- M/s Samrat Furnishers Ltd, Sutrapur, Kaliakoir, Gazipur, Dhaka
- M/s Fabritex Ltd, 4, New Circular Road, Malibagh, Dhaka
- M/s Ajmeert Traders, 190/B, Khilgaon Chowdhury Para, Dhaka
- M/s Banalata Apparels Ltd, 10, H.S.S. Road, Chittagong
- M/s Narayanjan Jute Fibres (BD) Ltd, 210, Deobogh, Pucca Road, Narayanjan
- M/s Jaba Automatic Rice Mills Ltd, Vill + P.O Thekura Kona, Netrokona
- M/s Khan Majlish Textiles Ltd, 14/1 Gopi Bagh 3rd Lane, Dhaka
- Lahajong Textile Mills Ltd, Baranowpara, P.O & P.S. Lahajong, Munshigonj
- M/s Noor Rice Milling Mills Ltd, Shantahar Road, Naogaon
- M/s Zahid and Brothers, B-326, Khilgaon, Taltola, Dhaka
- M/s Salobin Ind. Corporation, 157, Tejgaon I/A, Dhaka
- M/s H.K. Textile Mills Ltd, 8/6, Segunbagicha, Ramna, Dhaka
- Atique Leather Complex, 54/2 Hazari Bagh, Dhaka
- M/s Associated Sales & Services Ltd, 72/B (1st Floor), Malibagh Chowdhury Para, Dhaka
- M/s Madina Tannery, 114, Poet Nazrul Islam Road, Sadarghat, Chittagong

To be continued

## Commodity market: Gold, coffee up; oil, tea down

LONDON, Apr 12: Coffee was hot on the London commodities exchange this week, reaching its highest price in almost nine months thanks to falling supply and strong demand, says AFP.

Robusta ended the week at about 1,828 dollars a tonne, its highest level since July 2, 1997. Investors were expecting large production falls in Indonesia, Ivory Coast and Uganda and also drought-hit Vietnam.

Robusta prices were also pushed up by rumours of major falls in coffee warehouse stocks on the life, the London soft commodities market.

A fall in supply of Arabica coffee in New York added dynamism to the London market. Coffee also benefited from short-covering ahead of the long Easter weekend.

Elsewhere on the commodities market, aluminium prices rose sharply on hopes that a government economic stimulus package will relaunch Japan's moribund economy, and also due to expectations of a fall in production in Ghana and Venezuela.

GOLD: Shine. Gold prices were up this week as markets decided there was little chance of European central banks selling off their reserves ahead of May's setting up of the European central bank.

Gold ended the week at about

308.25 dollars an ounce, up 2.30 dollars.

There had been fears earlier this year that central banks would flood the market with gold as they moved into the European single currency zone, starting on January 1.

But now investors are convinced that individual banks are not willing to destabilise the market ahead of the Euro creation and that once the bank is set up, individual central banks will not have enough autonomy to sell the precious metal from their reserves.

Ernst Welteke, a member of the Bundesbank's monetary policy committee, said it would be madness for Germany to sell any of its reserves.

He said Germany's transfer of gold to the European central bank would be only a small portion of its own reserves.

SILVER: Stable. Silver prices remained stable this week, despite rumours that US billionaire investor Warren Buffett had sold off a third of his huge silver holdings.

Buffet's announcement in February that his investment fund had bought 129.7 million ounces of silver on the London bullion market over eight

months sent the metal's price rocketing.

Silver ended the week at about 6.46 dollars, up one cent.

COPPER: Strong. Copper prices rose this week on the back of industrial activity at a mine owned by KGHM, the largest producer in Europe, as well as strong demand and a fall in London Metal Exchange reserves.

Three-month copper rose 55.50 dollars to 1,752.50 dollars a tonne.

LEAD: Sinking. Lead prices fell in nervous trading due to fluctuations in LME reserves.

Analysts were worried at the start of the week that falling warehouse stocks signalled an artificial attempt to push up prices by reducing supply, but then stocks suddenly went back up, leaving the market edgy.

Three-month lead traded 3.75 dollars lower at 581.50 dollars a tonne. LME stocks rose sharply to 107,100 tonnes from 90,875 tonnes.

PLATINUM AND PALLADIUM: Optimistic. The two metals took off this week on new optimism about the Japanese economy, after the government unveiled new fiscal stimulus plans, including tax

cuts. With its auto and jewellery industries, Japan is the world's top consumer of both metals.

Prices were also pushed up by renewed uncertainties over Russia, where President Boris Yeltsin is locked in a political struggle with parliament over his choice of premier.

ZINC: Shiny. Zinc prices rose this week due to a fall in LME stocks and news from Canada's Falconbridge that it is halting work in part of its mine at kind creek, Ontario, because of flooding.

The stoppage will cut production by 50 per cent at the mine, which also produces copper, for several days.

Three-month zinc traded at 1,140.30 dollars a tonne, up 14.50 dollars.

ALUMINIUM: Shiny. Aluminium prices rose sharply over the week on renewed optimism following the Japanese government's plan, including tax cuts, for kick starting the sluggish economy one of the world's biggest aluminium consumers.

Prices were supported by a fall in LME stocks, from 540,750 tonnes to 531,925

### Shipping Intelligence

#### Chittagong port

Berth position and performance of vessels as on 12.4.98

Berth No	Name of vessel	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Progress Excellence	Cement	Sing	PSAL	26/3	14/4
J/2	Lits	GI	Mad	Oil	-	14/4
J/3	IB Everett	GI/GL	Sing	Everett	9/4	15/4
J/4	General Mojica	R Seed	Sing	Seagully	3/4	22/4
J/5	Penguin	GI	Yang	Cross	30/3	15/4
J/6	Noble Empress	R Seed	-	-	20/3	13/4
J/7	Ocean-1	GI (Log)	Yang	Cross	5/4	16/4
J/8	Albatross-III	Rice(P)	Cand	Cross	29/3	17/4
J/9	Dewan-1	GI/GL	Col	AML	2/4	12/4
J/10	Catherine Helen	Rice(G)	Yang	CNCL	29/3	17/4
J/11	Banglar Shobha	Wheat(G)	KDIA	BSC	R/A	14/4
J/12	Megha	Wheat(P/G)	Sing	Seacom	27/3	18/4
J/13	Banglar Doot	Cont	Sing	BSC	R/A	15/4
CCT/2	Diligence Cont	Cont	Sing	QCSL	31/3	14/4
CCT/3	Abuja	Cont	Col	Baridhi	7/4	12/4
RM/14	Tanto Raya	Cement	Indo	Sunmoon	5/4	20/4
CGJ</						