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DHAKA MONDAY, JUNE 15, 1998

Malaysia willing to invest in tourism

Malaysia is willing to invest in tourism sector of Bangladesh, reports UNB.

The indication came when the visiting delegation of Malaysian investors group called on Finance Minister Shah A M S Kibria at his office yesterday.

The delegation, led by Chairman of Malaysian Air Line and Chief Executive of Sheba Telecom Private Ltd Tan Sri Dato Tajuddin Ramli, discussed with the minister the investment opportunities in Bangladesh with special reference to the tourism sector.

Kibria told the delegation that Bangladesh is a unique place for investment in different sectors, particularly the Chittagong Hill Tracts for tourism.

He said after signing the CHT peace accord and Ganges water sharing treaty, Bangladesh has become an ideal place for investment in various sectors.

Agro-processing industries also has immense opportunities in the country, the Finance Minister said.

The Malaysian delegation expressed satisfaction over the investment climate prevailing in Bangladesh.

Sheba team calls on President

A 10-member delegation of Sheba Telecom, a joint venture company of Bangladesh and Malaysia, made a courtesy call on President Justice Shahabuddin Ahmed at Bangabhaban yesterday, reports UNB.

The delegation members led by chairman of the company Tan Sri Dato Tajuddin Ramli thanked the President for giving them an opportunity to meet him. They said there is ample opportunity of joint venture investment in Bangladesh.

They mentioned that Bangladesh is going ahead with development activities and appreciated him of the services rendered by the Sheba Telecom (Pvt) Ltd in 62 thanas so far since its operation in 1993.

They have a plan to extend the services to 195 thanas, they said adding that they will go for Global System Mobile (GSM) soon.

Welcoming the delegation members, President Shahabuddin said that relation between Bangladesh and Malaysia is excellent which can be further strengthened through fruitful cooperation in the private sector.

He appreciated the joint venture initiative between technology resources industries of Malaysia and Integrated Services Ltd, Bangladesh. The President wished them success in their endeavour.

Ahaji S I Khan, Director and Member of Managing Committee of Sheba Telecom, among others, was present on the occasion.

Rangs Electronics opens new sales & service centre

Star Business Report

Rangs Electronics Ltd has opened a new sales and services centre at Chashara in Narayanganj.

With this, the total number of centres comes to 37, says a press release.

The centre was formally inaugurated by Sachimi Hussain, Director of the company on June 7.

The centres are being opened under the company's expansion and better customer service programme.

Aktar Hussain, Managing Director, Sabur Ahmed, General Manger, Masud Ali Khan, Administration Manager and other senior officers of the company were present at the ceremony.

Besides 37 own Sales and Service Centers, the company has a network of more than 100 authorised dealers in the country.

Qantas cuts services to Asia

SYDNEY, Jun 14: Australian airline Qantas Airways Ltd said Sunday it will cancel its services to Vietnam and cut the number of flights to Tokyo because of falling demand blamed on the Asian economic crisis, says AP.

Qantas said it would suspend one of its twice-weekly Sydney-Tokyo flights, and both of its weekly services to Vietnam, from August.

Its five-weekly services from Sydney and Cairns to Fukuoka, Japan, will be suspended from October, spokesman Geoff Dixon said.

Extra services will be added to the United States, Singapore, New Zealand and Bali, he said.

Dixon said the changes reflected the impact of the Asian economic situation which had already led many other airlines to curtail their operations in the region.

"We will monitor the situation closely with a view to reintroducing services when demand begins to strengthen," he said.

Reaction to proposed budget
Foreign chamber slams lack of steps to slim government

Foreign Investors Chamber of Commerce and Industry (FICCI) has criticised the government for not taking effective measures in the proposed budget to downsize the existing government machinery, reports UNB.

"We have been disheartened that there is no meaningful measure in this budget to downsize the government," the FICCI said in a reaction to the proposed budget (1998-99) placed by Finance Minister Shah AMS Kibria in Parliament on June 11.

It said the existing government machinery is too large and too bureaucratic to be conducive to making the private sector the engine of growth of the economy. The government machinery reflects the set up of a command economy although the role of the government in managing the economy has decreased substantially, it added.

"Several studies have shown that about 30 per cent of the government employees do not have any work and yet they continue to burden the economy which ultimately befalls on the private sector," the FICCI said and urged the government to take administrative measures in the 1998-99 fiscal to start the

downsizing process.

It observed that Bangladesh could grow at an even higher rate if the economic management was better.

About the enabling environment for FDI, the Chamber said corruption, bureaucratic high-handedness, inadequate infrastructure, lack of modern telecommunications, port congestion and law and order situation are often cited as disincentives to attract foreign investment.

"Although the budget speaks of road building, but there is no indication of crash programme for power generation, no mention of improvement of satellite telecommunications, and above all there is no measure to eliminate corruption and extortion," it said.

On the other hand, the Foreign Chamber observed, the budget seeks to take away two hard earned facilities — tax return based certification on certification by Chartered Accounting firms and waiver of tax on tax — for the foreign investors. It called for restoration of the two facilities.

The FICCI, however, felt that in many respects the 1998-99 budget proposal is better than the previous two budgets of the

present government and welcomed many of the measures aimed at fostering the development of certain sectors.

It described the reduction of duties on computers and agro-industry inputs as good initiatives.

"Our members are supportive to the government in its efforts to ensure a better economic management that will take the country to a higher path of growth in a competitive global economy."

The FICCI said many of the measures undertaken by the government to increase revenue will be counter productive and these will eventually be detrimental to revenue collection. "These measures are not transparent ... these are inconsistent with good governance."

It said the biggest challenge for the government is to collect the full and correct revenue that is equitable and fair. "The government is unable to get its full share of revenue because of leakage and weakness of the tax administration," it added.

The FICCI observed that the budget did not mention any measures about the overhauling and reorganisation of the tax administration to make it more effective. Many of the proposed

measures are harsh on the private sectors, seeking to compensate the tax administration for its weaknesses.

However, the FICCI praised the Finance Minister for mentioning about reduction of discretionary authority of tax officials and dealing with corruption.

"We feel that no other issue is more important than this. Discretion and corruption increase the cost of business and hamper economic growth."

The net effect of a weak tax administration is a higher transaction cost on the business community making Bangladeshi products and services less competitive in the global economy.

The FICCI said the budget not only aims at revenues or expenditure, but also at creating higher disposable incomes, savings investments which will lead to higher economic growth.

It hoped that the government will exempt foreign consultant and technical services from the provision of compulsory deduction of 10 per cent tax at sources and withdraw the compulsory provision of income tax registration for the liaison offices of the foreign companies.

Proshika, ADAB hail budget

The Institute for Development Policy and Advocacy (IDPAA) of Proshika and the Association of Development Agencies in Bangladesh (ADAB) has hailed the proposed national budget for making provisions of some measures to protect the environment, says BSS.

Addressing a press conference at the National Press Club yesterday the IDPAA and ADAB leaders said that exclusion of taxes on import of solar based electricity producing generators and wind generators and discouraging import of old cars and auto rickshaws would surely leave positive impact in checking environmental pollution.

IDPAA chief and vice-president Proshika Mahbubul Karim read out a prepared statement while ADAB chair

person and president of Proshika Dr Qazi Faruque Ahmed, ADAB Director Shamsul Huda and chief of "sham-mony", a researchers organisation Dr Atiar Rahman spoke at the press conference.

They also suggested compulsory import and use of lead-free fuel oil and installation of catalytic converted in all modes of vehicles for halting air pollution. They recommended allocation of loans for setting up of plants for treatment of industrial wastes and allow import of such plants free of taxes to encourage the industry-owners for setting up treatment plants.

They also suggested import of duty free plants and allocation of interest free loans for setting up bio-gas and bio-fertilizer plants. They further suggested development of public transport system to discourage use of personal vehicles.

DCCI team off to Myanmar

Star Business Report

A 13-member delegation of the Dhaka Chamber of Commerce and Industry led by its President, R Maksud Khan, has gone to Yangon on a week-long visit to Myanmar and Thailand.

During its stay in the two capitals, the delegation will discuss various issues relating to promotion of bilateral trade, economic cooperation and joint venture investment in Bangladesh, says a press release.

The delegation which left Dhaka yesterday will hold meetings with members of the Union of Myanmar Chamber of Commerce & Industry, Director General of the Myanmar Investment Commission and ministers.

It will also hold meetings with the private sector leaders, Vice-Chairman of Asia Wealth Bank and Director of the Myanmar Economic Holding.

The delegation will go to Bangkok from Yangon on Wednesday and hold meeting with the members of the Thai Chamber of Commerce, members of the Federation of Thai Industries, and others.

Sharif to expatriates

Give money to counter sanctions

MANCHESTER, England, June 14: Pakistani Prime Minister Nawaz Sharif on Saturday urged his countrymen abroad to give money to his government to counter sanctions imposed for the country's nuclear tests, reports Reuter.

"There will be a lot of responsibility for Pakistanis living abroad," he said in the Urdu language at a rally attended by several thousand members of Britain's Pakistani community.

Sharif, who is on a private visit to Britain until June 16, said: "Send money but don't send it through illegal channels. Send it through banking channels."

The crowd, waving banners saying "Nawaz Sharif: Hero of Pakistan" or "Welcome, pride of Pakistan," greeted him enthusiastically.

The prime minister said the money would be used to shore up the country's meagre foreign exchange reserves.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD	Buying TT & OD
USD	46.5050	46.1100	46.5450	45.9570	45.8850
GBP	76.3380	74.9979	76.4036	74.7491	74.6320
DEM	25.8720	25.4400	25.8943	25.3556	25.3159
JPY	0.3234	0.3175	0.3237	0.3164	0.3159
FRF	7.7581	7.5320	7.7647	7.5070	7.4952
SAR	12.4318	12.2591	12.4425	12.2184	12.1992
MYR	11.5382	11.4402	11.5481	11.4023	11.3844
AED	12.6968	12.5193	12.7075	12.4778	12.4583
KWD	156.5825	145.3199	156.7172	144.8377	144.6108
QAR	12.8099	12.6280	12.8209	12.5861	12.5664

Bill buying rates:

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
46.0112	45.7258	45.3415	44.9573	44.5730	43.8045

US dollar London Interbank Offered Rate (LIBOR) as of June 7, 1998

Cash	1 Month	3 Months	6 Months	9 Months	12 Months
45.8850	46.5050	46.5625	46.6875	46.7875	46.8125
TC	46.5050	46.5625	46.6875	46.7875	46.8125

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
41.900/42.200	44.370/44.490	43.400/43.600	4.0305/4.0400	14100/14500	1395/1400

Amex notes on Sunday's market

The local interbank foreign exchange market was dull due to weekend in the major international centers. US dollar demand today was lower than that of last week-day in the market. USD/BDT traded mostly within a range of 46.4600 to 46.4650.

The call money market was slightly up in the earlier part of the day touching 12%. It came down to 8% after the first clearing. The average call rates ranged between 8.00% and 11.00%. Government accepted T-bills worth Tk 3.63 billion on the auction held today. Among them Tk 1.995 billion was accepted for 30 days T-bills with 8.35% cut-off yield, and Tk 1.635 billion was accepted for 1 year with 10.29% cut-off yield.

In New York on Friday, US dollar-gained momentum against the Yen and reached eight year high level since August 1990 US dollar reached 144.75, then came down slightly and closed at 144.20/30 yen in New York.

The market confidence that the Japanese economy which is now officially passing through a recession is unlikely to get help to boost its currency triggered the dollar's gain against the yen. The only fear working among the traders was possible intervention by Bank of Japan.

The shrinking of GDP by 5.3 per cent, more than expected was also a factor influenced the downfall of the yen. The spillover effect of Japan's slump was expected to further hurt economies in Asia.

In New York, the majors traded against the USD at 1.8045/55 DEM, 144.20/30 JPY, 6.0515/45 FRF, 1.4975/85 CHF, and GBP at 1.6335/45 USD.

12-point plan adopted at APEC talks

Harmonising customs procedures emphasised

KUCHING, Malaysia, Jun 14: APEC nations plan to call on the private sector to help boost trade improving customs procedures, officials said yesterday.

Members agreed on the move at a three-day meeting of the Asia-Pacific Economic Cooperation (APEC) customs-industry symposium, said Madehi Kolké, Deputy-General of Royal Malaysian Customs.

Private sector representatives like customs brokers, importers, exporters, freight forwarders and business people were at the meeting.

"We are focusing on trade facilitation ... because of that, we must get some feedback, some inputs from the private sector," said Kolké.

A 12-point collective plan was adopted at the talks to help



Rana Talwar becomes new Group Chief Executive of Standard Chartered PLC. He succeeds Malcolm Williamson who will step down with effect from October 1, 1998 to become a non-executive director.

Rana Talwar, 50, joined Standard Chartered in 1997 and is currently responsible for banking operations in North America, Europe (including the UK), Africa, the Middle East and South Asia, and for human resources.

Tk 6 cr remittance in May

Bangladesh received about Tk 5.54 crore remitted by the country's nationals living abroad through Foreign Money Orders during the month of May, reports UNB.

With this, the total remittance received from Bangladeshi expatriates since the beginning of the 1997-98 fiscal amounted to about Tk 79.53 crore, said an official handout yesterday.



Director of Rangs Electronics Ltd, Sachimi Hussain, opens a sales & service centre of the company at Chashara in Narayanganj.

Oman's stock hits lowest level

RIYADH, Jun 14: Oman's stock market plunged this week to its lowest level for the year while other Arab bourses posted mixed performances, a specialist financial institute reported yesterday, reports AFP.

Oman's MSM index sank four per cent to 359.45 points in the week ended Friday, bringing its loss since the start of the year to more than 25 per cent.

"It was the lowest point the index had hit so far this year due to a liquidity crunch," said Saudi-based Bakheet Financial Adviser.

Elsewhere in the Gulf, Saudi Arabia's NCFE Index lost one per cent to 179.51 on volatile oil prices while Kuwait's KSE index fell 1.4 per cent to 2,153.70, dragged down by the political crisis pitting the government against parliament.

But Bahrain's BSE Index added 0.6 per cent to 2,268.28 and Qatar's DSM index rose 0.1 per cent to 118.04, Bakheet said in a report.

Leading the gainers was the Palestinian Jerusalem Index, which bounded ahead by three per cent to 171.42 due to heavy trading in telecommunications company Palnet Shares. Since the start of the year the market has appreciated by more than 23 per cent, according to Bakheet.

In Egypt, the ESE Index moved ahead by one per cent to 371.91, while Morocco's CSE Index added 0.3 per cent to 829.14 but the Tunisian BVM Index fell 0.4 per cent to 458.98.

Jordan's AFM Index eased 1.5 per cent to 172.36 in quiet trade dominated by minimal transactions of blue-chips and in Lebanon, the Blom Index lost one per cent to 1,001.47 due to a fiscal amounting to about Tk 79.53 crore, said an official handout yesterday.

Commodity market : Silver, sugar rise; gold, oil fall

LONDON, Jun 14: News that Japan is in economic recession and the yen's slide on the international markets cut into copper and aluminum prices and also hit Brent crude on the London Futures market this week, reports AFP.

Three-month copper on the London Metal Exchange ended the week at 1,688.30 dollars a tonne, down 9.20 dollars from the previous week. Three-month aluminum lost 21 dollars to 1,333.30 dollars a tonne.

Asia, especially Japan, is a key market for base metals because of its strength in building and auto manufacturing industries.

Metal investors are concerned that Japan's official entry into recession could herald further economic collapse in the region — in China for example — and they are now waiting for signs of stabilisation.

A Chinese government official denied this week rumours that the yuan currency was to be devaluated and he indicated that the Chinese government will look for ways to supporting metal exporters during the economic difficulties.

Another factor weighing against metals was the strength of the dollar, which has made the commodities less competitive.

Market is saturated with over production.

GOLD: Slump. Gold prices sank back below the 250-dollar mark in the face of a stronger dollar, deepening crisis in Asia and comments made by European Central Bank (ECB) Chief Wim Duisenberg.

The spot price fell to 288.55 dollars per ounce from 291.55 dollars last week.

Investors flocked to the currency market, and out of gold, as the dollar gathered momentum.

Dealers were also worried about a possible downturn across Asia, after official figures confirmed that Japan had fallen into recession.

Duisenberg unsettled the market by saying that the ECB might hold no more than 10 per cent of reserves in gold.

Such a figure would be at the low end of analysts' predictions of ECB gold holdings.

SILVER: Shine. Silver prices rose slightly despite the fall in gold and an expected slump in demand from India, the world's keenest consumer country, as devaluation and economic sanctions there bite.

Prices fell to 5.30 dollars per ounce from 5.17 dollars.

India has seen the lion's share of its overseas aid budget cut and economic sanctions imposed after it carried out a series of nuclear tests last month.

PALLADIUM AND PLATINUM: Tarnished. Palladium and platinum prices fell further

in the slipstream of gold and a growing conviction on the market that Russia would restart exports soon.

Palladium prices fell to 268 dollars per ounce from 282 dollars and platinum prices fell to 352.50 dollars per ounce from 359 dollars.

COPPER: Dull. Copper prices fell slightly as Japan staggered into recession, spreading fears of further falls in demand from the former key consumer country.

Three-month copper prices on the London Metal Exchange (LME) fell by 9.20 dollars to 1,688.30 dollars per tonne.

ALUMINUM: Melting. Economic recession in Japan, a slump in the value of the yen to an eight-year low and the threat of a second wave of economic turmoil spilling over into Southeast Asia depressed the aluminum market this week.

Three-month prices on the London Metal Exchange (LME) fell by 21 dollars to 1,333.30 dollars per tonne.

LME reserves, meanwhile, rose slightly to 546,700 tonnes, which was 425 tonnes higher than last week.

NICKEL: Tumble. Nickel prices fell sharply again this week, touching a four and a half year low point midweek.

Prices fell by 117.50 dollars to 4,530 dollars per tonne.

TIN: Sparkle. Tin prices continued to rise in line with a fall in LME reserves.

Three-month tin prices rose by 175 dollars to 6,147.50 dol-

lars per tonne.

LME stocks, meanwhile, fell by a modest 470 tonnes to 4,585 tonnes, which was a low point since October 1989.

OIL: Sinking. Brent. The benchmark North Sea Crude, which bounded ahead by three per cent to 171.42 due to heavy trading in telecommunications company Palnet Shares. Since the start of the year the market has appreciated by more than 23 per cent, according to Bakheet.

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The Brazilian sugar cane harvest is underway and investors are expecting a record haul for 1998-99.

VEGETABLE OILS: Slippery. Good weather pushed vegetable oil price back this week on the Chicago market.

Although some colder weather is expected, conditions are good at present in the US midwest agricultural region.

RUBBER: Flat. The rubber market was flat this week, with industry sitting on large reserves and sellers waiting for prices to get higher, analysts said.

Rubber for July-August delivery on the London index traded at 495 pounds a tonne, unchanged from last week.

The RSS1 index on the Kuala Lumpur market traded at 2.77 ringgits a kilo, down from 2.88 ringgits.

COTTON: Rise. Drought in Texas continued, leading to analysts making downward revisions of expected 1998-99 production, and a 1.9 dollar rise on cotton on the cotton outlook index to 67.45 cents a pound.

The market is looking to India, where farmers are waiting for the start of the monsoon rains, which the cotton crops depend on, traders said.

WOOL: Thin. The British wool index fell 10 pence to 331 pence a kilo, while in Australia, the eastern index rose for cents to 5.88 Australian dollars a kilo, thanks to rising demand.

Australian reserves rose to 1.15 million bales.

CONCOPE election held

Star Business Report

The Chairman of Bangladesh Agricultural Development Corporation (BADCO), M A Wadud, has been elected chief of Concope for the next term.

The election was held at the executive committee of Concope, an organisation of the chairman and managing directors of all sector corporation held in the city recently, says a press release.

The committee also elected Khondokar Rashidul Huq, Chairman of Bangladesh Parjatan Corporation Vice-Chairman of the organisation.

Awarded

Nasser Ahmed, a Bangladeshi-born US national, has received a Department of Commerce (Patent and Trademark Office) award for his outstanding performance in the trade.

President Bill Clinton honoured Ahmed at the 33rd annual presentation ceremony of the Department of Commerce recently, says a press release.

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