

Thai businessmen keen to invest

The Thai business community has shown keen interest to invest in different fields in Bangladesh, especially in the infrastructural development sector, reports UNB.

The interest was shown at a meeting of the DCCI business and investment promotion delegation with the Thai Chamber of Commerce (TCC) in Bangkok on June 18.

DCCI President R Maksud Khan, who led the delegation in the Thai capital, elaborated the role of the private sector and urged the Thai businessmen to take advantage of various incentives now offered by the government.

Welcoming the DCCI delegation, TCC Chairman Vichien Tejapattana said that the visit of the DCCI delegation would further strengthen the existing trade and investment relations between the two countries.

He also underscored the need of exchanging information on a regular basis to create awareness among the entrepreneurs of both countries.

'Budget allocation not enough to revive jute industry'

Star Business Report

Bangladesh Jute Mills Association (BJMA) welcomed the allocation of Taka 130 crore for jute sector but called it insufficient to revive the ailing industry.

"We feel this is not sufficient," said the Association in a reaction to the proposed national budget for 1998-99 and sought more measures to address some other problems being faced by the country's jute industry.

In a press statement issued on Wednesday, the Chairman of the Association, Mirza Ali Behrouz Ispahani, expressed concern over a reported government decision to use polythene bags instead of jute bags to pack fertiliser.

The association chief said there is a serious anomaly in the govt policy regarding 10 per cent subsidy given to yarn export which is enjoyed by jute spinners only.

Despite having their own licence, shed and separate banking arrangement, members of the BJMA do not enjoy any benefit from the Jute Sector Adjustment Credit on export of yarn, he said.

He said, "The yarn subsidy was given from January 1997. This anomaly must be rectified immediately."

Islami Bank opens 103rd branch at Dhanmandi

Star Business Report

Islami Bank Bangladesh Ltd opened its 103rd branch at Dhanmandi in the city yesterday.

A N M A Zaher, Director of the bank and Managing Director of Ibn Sina Pharmaceutical Industries Ltd, attended the function as chief guest. Mohammad Yunus, acting chairman of the bank and Alhaj M Khaled, ex-advisor of the bank and Deputy Governor (Rtd), Bangladesh Bank were also present.

Addressed by M Kamaluddin Chowdhury, Executive President of the bank the function was addressed, among others, by M Tajul Islam, Senior Vice President and in-charge of Dhaka Zone of the bank. Md Nazrul Islam Khan, Asst. Vice President and Manager, Dhanmandi branch, A M Shamsul Alam, ex-general manager, T&T, Maulana Zahidul Haque, Khatib, Dhanmandi Eidgah Zam-e-Mosque, Siddique Ali Mia, former general manager, T&T and Fakrul Islam, Chairman, Gardenview Consortium Ltd.

BP aims to raise Alaskan oil production

LONDON, June 20: British Petroleum said it aims to increase oil production at its Alaskan fields by 20 per cent, bringing total output to more than 500,000 barrels a day, reports AFP.

The British energy group in a statement that it currently produces 460,000 barrels of oil a day on its north slope, Alaska field. The company aims to increase output to more than 500,000 barrels a day by early next century and to sustain it at more than 500,000 barrels a day for the foreseeable future," BP said.

The increase is to be fueled by four new fields starting by 2001 and the further development of existing fields, including Prudhoe Bay, where more than half of BP's north slope oil comes from, the company said. BP said that the combination of recent discoveries and upgrades to existing fields had increased its Alaskan reserves to more than seven billion dollars, more than a third proven.

Govt privatises two more train services

CHITTAGONG, June 20: Bangladesh Railway is going to hand over operational responsibilities of two more trains to private enterprises, reports UNB.

The trains are — 'Karnaphuli Express,' running between Dhaka and Chittagong route and 'Balaka Express,' running in Dhaka-Mymensingh route.

Two private organisations will conduct commercial operations of these two trains from the first week of next month.

The agencies have already been given work orders from the railway authority, said a senior official of Bangladesh Railway here.

Frequent power failure 11 Khulna BJMC units incur Tk 53cr loss in 3 months

From Quazi Amanullah

KHULNA, Jun 20: Eleven units of Bangladesh Jute Mills Corporation in Khulna zone incurred a loss of about Tk 53 crore in the last three months due to frequent power failure that hampered production of 18 thousand tonnes of jute goods.

If such huge financial loss continues to happen all jute mills will have to stop production, said a source at the zonal BJMC office.

Captain (Retd) D K Halder, Manager (Admin) of BJMC said that the total loss incurred in the first ten months of the current fiscal year had been estimated at Tk 53 crore at the rate of Tk 35 to 38 thousand per tonne.

He admitted that setback in production had adversely affected export trade in finished

jute products. Foreign vessels left the port during this period due to non-shipment of goods and cancellation of contracts by European importers.

As a result, demand for Bangladesh jute goods has fallen in international markets, he said.

Another top BJMC official said that management of all the state-owned jute mills are no more in a position to pay wages and salaries to the workers and employees due to financial losses arising out of production shortfalls.

Besides, the mills which are now losing concerns are being compelled to pay excessive interest against bank loans because of delay in exporting products as per commitment to the buyers, he said.

the Karnaphuli Express was given to M/s Chowdhury Associates of Chittagong. It will pay Tk 21 lakh per month to the BR authority at the rate of Tk 4,599 per boggy everyday.

Sources also said, railway authority will supply fuel of the train and appoint drivers and guards. The lease holder will sell tickets and perform management work with its own staff.

It is learnt that the railway is presently earning on an average Tk eight lakh per month by running the Karnaphuli Express.

After leasing out of the train, it will now earn a net profit of Tk 2.49 crore every year.

TM chairman, CEO due today

Star Business Report

Dato' Ali bin Hassan, Chairman and Dato' Mohamed Said bin Mohamed Ali CEO of Telekom Malaysia Berhad, will arrive in the city today on a three-day visit to Bangladesh.

During their stay in Dhaka, the honourable guests will attend TMLB Board meeting and annual general meeting scheduled to be held tomorrow. The TMLB said in a press statement.

The Chairman and CEO will also call on Posts and Telecommunications Minister Mohammad Nasim and State Minister for Foreign Affairs, Abul Hasan Chowdhury.

BKB recovers Tk 91.84 cr in Khulna division

From Our Correspondent

MAGURA, June 20: Bangladesh Krishi Bank (BKB) has recovered Taka 91.84 crore from the defaulters of ten districts in Khulna division in nine months to March '98, official sources said.

According to the sources, the loan recovery target was fixed at Taka 190 crore in the division for the current fiscal year.

About 48 per cent of the target has been achieved in nine months.

US current account deficit widens

WASHINGTON, June 20: The US current account deficit widened to a record 47.2 billion dollars in first quarter 1998 from 45 billion in the fourth quarter, the Commerce Department reported here, says AFP.

An increase in the deficit on goods and services was partly offset by decreases in the shortfall on investment income and in net unilateral transfers.

The deficit on goods and services increased to 34.9 billion dollars from 28.5 billion in the fourth quarter.

The deficit on investment income contracted to 3.1 billion dollars in the first quarter from 4.2 billion in the fourth.

Net unilateral transfers decreased to 9.2 billion dollars in the first three months of the year from 12.3 billion in the fourth.

Almost all of the decrease was in US government grants, following an increase in grants to Israel during the fourth quarter.

Foreign private transactions in US treasury securities shifted to net sales of 1.4 billion dollars in the first quarter, versus net purchases of 35.3 billion in the fourth quarter.

Net purchases from western Europe were down from the fourth quarter, but remained strong.

Net foreign purchases of US securities other than treasury notes were 76.7 billion dollars in the first quarter, up from 36.8 billion in the previous quarter.

Bid to attract foreign investment in leather sector

Kibria seeks new location for Hazaribagh-based industry

Finance Minister Shah AMS Kibria has said development of tannery industry, taken as a thrust sector, depends on a sound financial and technical base, reports UNB.

He felt the urgency of a new location for the city's Hazaribagh-based tannery industry to attract foreign entrepreneurs.

"Not only for environmental concern, a new location is needed for the future of this industry," Kibria told the annual conference of Leather Technologists' Society at Hotel Sonargaon yesterday.

Whatever rigid it may be, there must be a decision about it, he said. "Otherwise no foreigner will come up for joint venture in tannery."

Society's President Dr Karam Ali Ahmed briefly put forward their recommendations for development of the tannery industry.

Assuring the government's full commitment to develop leather industry as oriented-export industry, Kibria called for genuine entrepreneurship in this sectors.

This promising industry cannot be held hostage to a section of raw hides traders, who defaulted a huge loans taken in

the name of buying raw hides during the *Qurban*. "Tannery industry should be controlled by those who will upgrade it to a modern industry."

Outmoded technology will not help tannery industry survive the competition in world market, Kibria said, emphasising the need for adoption of modern technology.

He hoped the Industrial Policy, prepared last year, would contain a detailed framework outlining the strategy for future growth of tannery industry that contributes around 5 per cent to the country's export earning.

India's software exports soar

NEW DELHI, June 20: India's software exports soared to a record high of 1.7 billion dollars, up 65 per cent, for the fiscal year to March '98 compared with the previous year, a trade body said yesterday, reports AFP.

The Electronics and Computer Software Export Promotion Council said software exports at 1.03 billion dollars in the previous fiscal year, and maintained an average growth of 60 per cent during the last five years.

The United States and Canada accounted for 57 per cent of India's total software exports, while 26 per cent went to Europe and the rest to Japan and South East Asia.

The ruling Hindu nationalists has promised to set up a national information technology task force to help boost the information technology sector.

FAO hopes to halve hungry population by 2015

BANGKOK, June 20, New data, provided by FAO confirm that agriculture forms the backbone of many of the poorest economies in the world and ironically it is the countries in which agriculture plays the greatest role in the economy that also have the highest numbers of hungry and malnourished people, according to a FAO press release.

"These high rates of under-nourishment perpetuate underdevelopment. To overcome poverty, people must overcome hunger and the nutritional weakness it causes," said Hartwig De Haen, Assistant Director-General of FAO's Economic and Social Department.

To improve this situation, it will be necessary to increase the income of the poorest people in the world, and the way to do that is to begin by improving agricultural production in the Low-Income Food-Deficit countries, according to FAO.

The UN agency continues to call on developed countries to assist in improving the food situation in the world's poorest countries, saying it is in the self-interest of developed countries to increase purchasing power and demand for food in these countries.

A special issue of FAO's Food Outlook forecast 1998 cereal production at 1,911 million tons, marginally above last year's crop and a new record. If current forecasts materialise, cereal supplies would be sufficient to meet expected consumption requirements in 1998/99 and allow for the replenishment of global cereal reserves to minimum safe levels.

According to the report, "the availability of bigger global cereal stocks than earlier anticipated has increased the margin of safety and allows for some cautious optimism for global cereal supplies in 1998/99."

However, the report cautioned that with many of the 1998 crops just in the early stage of development and the bulk of the rice crop in Asia

still to be planted, these forecasts are still quite tentative. It further warned that "a deterioration in prospects for 1998 crops cannot yet be ruled out, particularly in several southern hemisphere countries affected by the unpredictable El Nino-associated weather."

The report said it is largely because of the effects from El Nino that the number of countries facing food emergencies has risen to 38 compared to 31 at the end of last year.

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The FAO Committee on World Food Security (CFS) last week approved arrangements to monitor worldwide progress on implementing the World Food Summit Plan of Action, which calls for the number of hungry people in the world to be reduced from more than 800 million to half that by 2015.

The meeting, composed of representatives from 114 countries and the European community, agreed on a calendar and reporting procedures for monitoring the progress of individual countries toward implementing the Summit Plan of Action and achieving its goals.

The CFS called on countries not to lose sight of the World Food Summit goal and to continue their national efforts to fight hunger on all fronts. FAO experts are calling the implementation of the Summit Plan of Action "an emergency operation," saying it will be "a monumental challenge to cut, by at least half, the number of hungry people by 2015."

The Mercosur trade bloc — grouping Argentina, Brazil, Paraguay and Uruguay — strongly opposed the proposal, arguing its economies would not be ready before 2005 to open their markets to powerhouses like the United States and Canada.

The negotiating committee meeting here since Wednesday also laid out the rules and regulations working committees would follow during the talks.

The FTAA will create a market of 800 million consumers with an economic output of nearly 10 trillion dollars by 2005.

The negotiating committee meeting here since Wednesday set the stage for the detailed negotiations which will be based until 2001 in Miami.

Some APEC states voice concern over free trade

KUCHING, Malaysia, Jun 20: Several Pacific Rim countries have worries about opening their markets completely in the economically battered region, a top US official said on Saturday.

Under the so-called Early Voluntary Sectoral Liberalisation, or EVSL, trade barriers and tariffs in nine select industries would be removed over the next few years among the 18 economies of the Asia-Pacific Economic Cooperation forum.

John Wolf, US ambassador to APEC, said there was a great deal of support among the countries, however, there are several economies that have concerns.

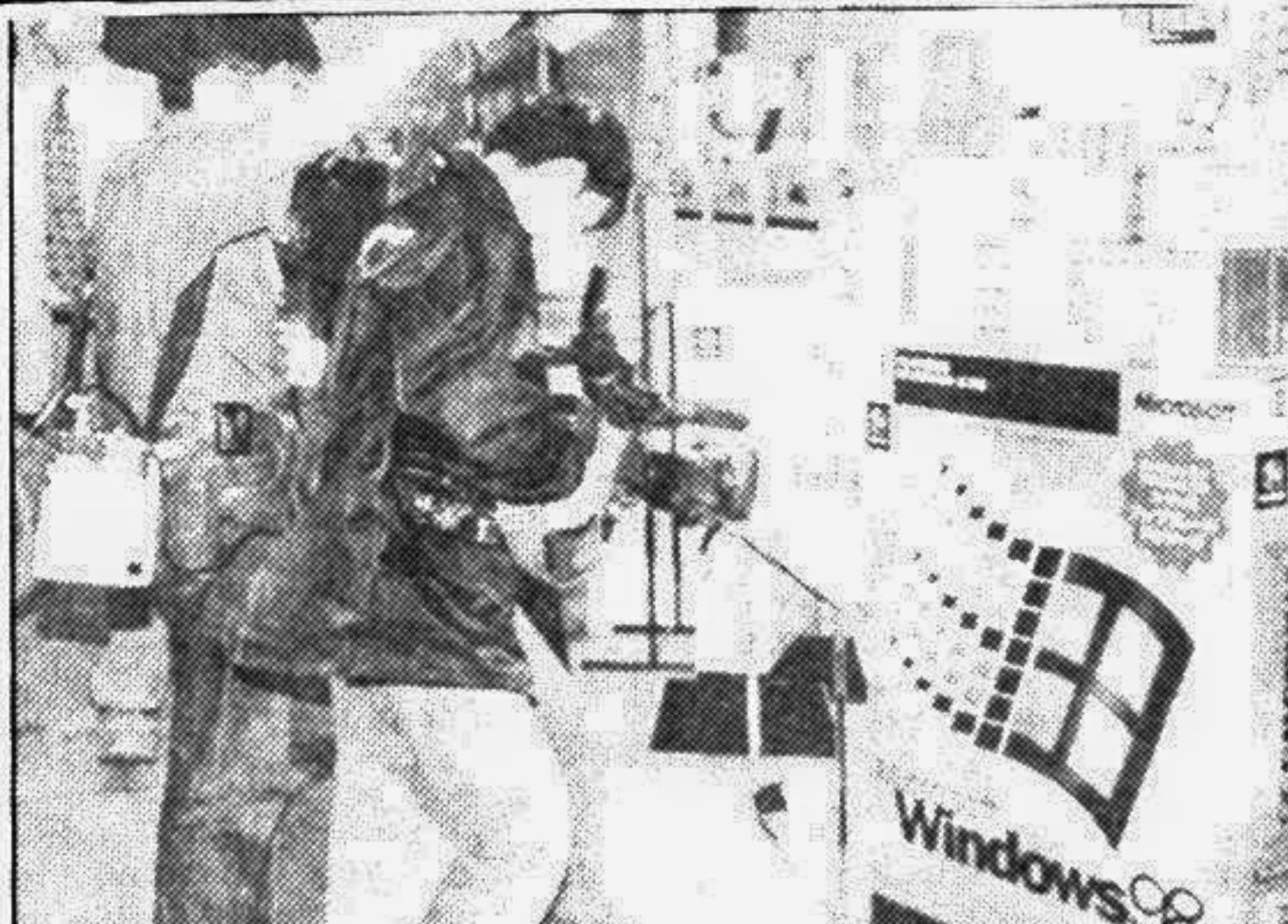
"We're trying to come up with the best way possible to advance trade and investment in the region given the financial uncertainty," Wolf said to reporters

after closed-door talks with senior officials. He noted it was not an easy task given the scope of products covered by the EVSL, which he said represented \$1.5 trillion in trade.

Officials have been reluctant to point a finger at the countries holding up the EVSL proposals for which were slated to be completed in time for the arrival of trade ministers who will meet Monday and Tuesday.

Many officials have, however, said the support of Japan, the world's second largest economy, was crucial.

Japan appears committed to the process but, given the state of its rapidly sliding economy, has raised concerns that the EVSL goal of liberalisation by 1999 was unrealistic, officials said.



TOKYO: A Japanese TV crew shoot packages of the Japanese version of Microsoft's Windows 98 in Tokyo. Microsoft Chairman Bill Gates announced that the Windows 98 software will be unwrapped in Japan on July 25, one month after its US release. — AFP photo

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World finance officials meet to discuss Asian financial crisis

TOKYO, June 20: Finance officials from around the world gathered on Saturday to discuss Asia's economic crisis and try to coordinate strategies to battle turbulence in the currency markets that threatens to throw the region's economies back into a tailspin, reports AP.

The officials were expected to agree to coordinate efforts to stabilise Asian currencies and to reemphasise the importance of shoring up the yen's value against the dollar.

"We want to regain trust at home and abroad by moving quickly and decisively to clean up the bad loans," Japanese Finance Minister Hikaru Matsunaga was quoted as saying before Saturday's meeting by Kyodo News Agency.

Before the meeting began the Clinton administration made it clear that interventions like the one earlier this week can only do so much and that the situation may well worsen

again quickly without more serious, long-term action by Japan.

Clinton said on Friday he had told Japanese leaders that no short-term efforts would work unless there was a serious long-term, very comprehensive commitment to economic reform.

Earlier this week, the United States and Japan made a sudden joint foray into world currency markets after the Japanese currency fell on Wednesday to its lowest level against the dollar in eight years.

The yen-buying action pushed the dollar down seven yen in a mere three days.

The yen's slide had raised fears that Asian countries may be forced to engage in another round of competitive devaluations, triggering a repeat of last

year's disastrous free fall in regional currencies.

On Friday, Summers concluded a series of high-level meetings with Japanese government officials and extracted promises that Japan will take swift action to boost its ailing economy.

Summers and Japanese Finance Minister Hikaru Matsunaga vowed to intervene again in currency markets to stabilise the yen if necessary.

But experts worry that no amount of government intervention in the currency market will restore long-term confidence in the yen unless Japan takes swift action to clean up its ailing banking system.

Saturday's meeting was being watched closely for signs of just how serious Japan will be in its efforts at the longer-term structural reforms most experts

agree it badly needs.

Analysts say that Japan needs to commit more public money to help rid its banks of 76 trillion yen (\$563 billion) left on their books from the collapse of the property market in 1992.

The country also must also stop coddling banks with regulations even if that means letting the weaker ones go under, they say.

Many fear the big test may come sooner than expected. Major Japanese newspapers reported that the Long-Term Credit Bank of Japan Ltd, once a mainstay of Japanese industrial policy, was frantically searching for a white knight after its stock plunged on Friday following a downgrade by Moody's Investors Services.

Japan has said it will im-

plement a programme to clean up the bad loans at the nation's banks and put together a package of tax cuts aimed at boosting the economy.

Japanese Prime Minister Ryutaro Hashimoto has reportedly decided to slash corporate taxes and announce a permanent income tax cut before elections for the upper house of Parliament on July 12.

During his talks on Friday, Summers told Japanese officials that it is more important for Japan to stimulate the economy than balance its enormous budget deficit by tightening spending.

He also received assurances from senior members of the ruling Liberal Democratic Party that Japan will set up a special financial institution to take over debts at failed banks.

ILO urged to help LDCs boost export, create jobs

Star Business Report

The president of Bangladesh Employers' Association, Rokia A Rahman, has urged ILO to ensure that global trade helps improve prospects for export expansion and create jobs in developing countries.

She made the call while addressing the 86th session of the International Labour Organisation held in Geneva recently, said an MCCI press statement.

She said the prospects for job creation and poverty alleviation are achievable in the LDCs only when there are significant shifts in location of production facilities to the developing countries so as to widen their export base.

Otherwise, she warned, the LDCs' share in the world imports and exports would continue to shrink.

Commending the initiatives taken by the ILO to reduce unemployment and poverty, she reminded that the developing countries are often accused of neglecting workers' rights, sustainable employment and social justice.

She said efforts are often made to link such issues for protectionist purposes in order to circumvent the principles of fair competition. Such efforts must not be allowed to succeed, she added saying, as the LDCs must benefit from the opportunities arising from global market expansion.

The conference was attended by about 2500 delegates from the member-countries of ILO.

US aware of Iraqi oil sale to Turkey despite ban

WASHINGTON, Jun 20: About 45,000 barrels of oil a day are smuggled into Turkey from Iraq in an operation that has gone on for years, the State Department said Friday, reports AP.

The smuggling violates UN sanctions imposed eight years ago but spokesman James P Rubin avoided any criticism of Turkey, a NATO ally and a member of the US-led coalition that forced Iraq to reverse its occupation of Kuwait in the 1991 Persian Gulf War.

He said Turkey had played a major role in allied efforts to contain Iraq and in talks with US officials had expressed "a willingness to work on bringing this illicit trade under the UN sanctions regime."

"This is a situation that we've been dealing with for some years now," Rubin said of the smuggling of oil into Turkey.

Over all, though, he said the boycott had cost President Saddam Hussein 15 billion dollars a year. Rubin said it was the "most leak-proof and longest-lasting set of sanctions in their comprehensiveness in history."

World growth in energy demand dips in '97

LONDON, June 20: Growth in demand for energy around the world dipped sharply in 1997, while world oil production saw its biggest rate of growth in a decade, British Petroleum said in an annual report.

Excluding the 15 countries of the former Soviet Union — world energy consumption increased a weak 1.6 per cent in 1997, half the rate of the previous three years, the report said.

When consumption in the former Soviet Union which has fallen to about 60 per cent of levels in 1990, was taken into account, world demand grew just one per cent, the report said.

Rapid growth in emerging market economies, excluding the former Soviet Union, "contrasted strongly with very slow growth" in the advanced industrialised countries, the report said.

India's consumption rose 6.1 per cent, placing it ahead of France, Canada and Britain as the world's sixth largest energy market.

Ireland led the rise in consumption, up 9.8 per cent, and there was also rapid growth in Brazil, Iceland, Indonesia, Spain and Taiwan.

World oil consumption grew 2.1 per cent to 71.7 million barrels a day, slightly under 1996 levels.

Fastest growth in oil demand came from Asia, excluding Japan, up 5.1 per cent, followed by Latin America, up 4.1 per cent.

US and European oil demand grew only one per cent, largely due to mild weather, while in Japan it fell 1.3 per cent.

However, oil production rose 3.1 per cent, the biggest increase since 1988.

Organisation of Petroleum Exporting Countries (OPEC) members increased production by 5.4 per cent, bringing OPEC share of world production to 41.5 per cent, the highest level in more than a decade.

Of the cartel's members, Iraq produced the highest growth, up 94.3 per cent, as a result of UN approval for exports to be renewed following by Saudi Arabia, Venezuela and Nigeria.