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Sole Distributor in Bangladesh
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Tel: 815307-10, Fax: 813062

The Daily Star BUSINESS

DHAKA FRIDAY, JUNE 26, 1998

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Microwave Oven

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SEC sets up task force

The Securities and Exchange Commission has constituted a task force authorising Khairul Anam Khan, Corporate Accountant of SEC and Shuvro Kanti Chowdhury, Deputy Director of SEC, for inspecting books of accounts and records of members concerned of Dhaka Stock Exchange (DSE) in connection with trading in the securities in DSE during the period of May-June 1998.

The task force has been set up under Section 6 of the Securities and Exchange Ordinance, 1969, says a press release.

Md Rezaul Rahman, Secretary of Dhaka Stock Exchange, is also included as a member of the task force as nominee of DSE.

The members of the task force will jointly perform inspection and submit report to the Commission covering its findings on unusual share price movements in DSE in the above period within one month.

Suspension on ACI shares withdrawn

The council of the Dhaka Stock Exchange (DSE) at a meeting yesterday withdrew suspension on trading of ACI shares.

"It would be effective from Saturday", the DSE sources said.

Earlier the DSE slapped suspension on share trading of the company after the company postponed its rights offer.

Aussie aid for CHT development

Australian Agency for International Development (AusAID) has provided Tk 1.50 crore to the Bangladesh Red Crescent Society for the development programme in the CHT, reports UNB.

This was disclosed by Australian High Commissioner to Bangladesh yesterday here, said a High Commission press release.

The fund will be utilised by the BRCS for the provision of supplementary food for 55,000 former refugees returning from the Indian state of Tripura as well as for health and community service programmes for an estimated 120,000 people living in the CHT.

The programme will provide immediate support for the reintegration of tribal people in accordance with the peace agreement reached between the Government of Bangladesh and tribal leaders in December 1997.

The High Commissioner said that these funds represented Australia's first contribution to the Bangladesh government's request for help in the CHT. Other areas of assistance in the medium and long term were under consideration, the press release added.

Direct air link with Uzbekistan from Sunday

Direct air link between Uzbekistan and Bangladesh will be established on Sunday with the arrival of a flight from Uzbek capital Tashkent here, reports UNB.

The inaugural flight of Uzbek Airlines is expected to touch Zia International Airport at 8:30 am, said an official handout here yesterday.

Deputy Minister for Foreign Affairs of Uzbekistan Ergashev Ismatullah along with a high-powered delegation of officials and businessmen will visit the country on the occasion.

SBI signs deal with Visa

BOMBAY, June 25: India's largest bank, the state-run State Bank of India (SBI), yesterday signed an agreement with Visa International to launch credit cards in the domestic market, officials said, reports AFP.

The SBI's credit cards would be launched by the end of the year and would use the Visa International payment system, said OP Setia, the bank's Managing Director.

Setia said: "India's payment card industry will benefit enormously by way of increased geographical coverage through SBI's extensive retail network."

"Several million customers who seek safe and convenient payment tools will have access to payment products and services that will be accepted at a wider base of merchant establishments across India."

James Murray, General Manager, Southeast Asia for Visa International, said: "We are pleased that India's premier commercial bank has selected the world's most preferred card to establish its payment card business."

Visa International said nearly half of the 2.5 million Indian credit card holders were using its cards.

'I am a policeman without a gun'

Star Business Report

Disclosure by companies is the key, which also calls for adhering to international accounting standards, if investors have to gain confidence in corporate Bangladesh.

The message came primarily from the chairman of the Securities and Exchange Commission (SEC) yesterday at a seminar to which other participants also lent support.

"It's vital for industrialisation of a country. Please expedite (this process of) adopting international standard of accounting," M A Syed said.

He said investors confidence was very important in the stock market. "I am very much concerned as to why the market has been down for long. But I do not have much to do. Our job, being

regulators, is to ensure fair trading and check manipulation."

SEC has recently made it mandatory for companies making IPOs that disclosures have to correspond to international accounting standards.

The SEC supreme still sounds helpless. "I am a policeman without a gun," he told the seminar on International Accounting Standards where he spoke as chief guest.

He said the main barrier to foreign investment was the lack of confidence in the disclosures made by companies after auditing by local chartered accountants.

"Sometimes the foreign investors go on saying that they have to bring in auditors with

them to know the actual health of a company," he said.

The chairman said the SEC was switching to full disclosures certified by both the issuers and the auditors.

"These two parties would have to take responsibility. It's not SEC's responsibility to check everything," he said.

Jamal Uddin Ahmad, FCA, a council member of ICAB, said portfolio investors would come only if they felt satisfied with the accounting statements in the form of balance sheets and income statements.

He also said success of the globalisation and liberalisation of the economy would depend to a large extent on standard of accounting in financial statements of local companies.

"International accounting standards should be fully implemented while certifying audited reports," he said.

Syed Alamgir Farouk Chowdhury, the commerce secretary who chaired the session, also spoke in a similar vein. Replying to criticism that civil servants ask for disclosures but do not have basic knowledge of accounting, he said more interaction would help government officials learn. "If they knew everything (on accounting), they would have taken up your profession."

Accountants were critical of the finance minister for his statement that the auditors would be made to pay if there was tax evasion by companies they audited.

KPCL to commission both power barges in mid Aug

Star Business Report

Khulna Power Company Ltd (KPCL) is likely to commission its both power barges at Goalpara in mid August.

The country's first private enterprise to produce electricity will provide 110 MW power to the national grid.

The plant is expected to meet the present power demand of the industrial south-western region, says a press release.

Khulna Power Company Ltd is a joint venture between Finland-based Wartsila NSD power development and two Bangladeshi companies, the Summit Group and United Enterprises.

Meanwhile, the company is launching a programme from next Sunday.

During the two-month long drive, 22,000 children of 40 schools in Khulna and its suburban areas will be served with Igloo ice-cream stickers, and pens when they will explain the operation of a barge-mounted power plant and the distribution system of electricity through the national grid by using a small model of the barge.

The programme aims at developing outlook among the children about electricity.

The company earlier donated Taka 5 lakh to the Assistance for Blind Children and a pickup to Anzuman-E-Mofidul Islam. It is also going to present a bus to Khulna BIT.



Dr. Abdulaziz Al-Orayer, Member, Consultative Council of Saudi Arabia, and Chairman of SABINCO, presiding over the 14th annual general meeting of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited on Tuesday.

Tofael tells JS KAFCO loses Tk 80 cr since its operation

The Karnaphuli Fertiliser Company (KAFCO) has sustained a cumulative loss of more than Tk 80 crore since it came into operation in July 1995, reports UNB.

This was informed in Parliament by Industries Minister Tofael Ahmed in a written reply to Mohammad Golam Kader (JP).

A joint venture fertiliser factory KAFCO is located across the Karnaphuli river in Chittagong.

"It will never see the light of profit", Tofael had earlier told Parliament lamenting for and accusing HM Ershad of reaching the unequal joint venture agreement at the lag end of his rule.

KAFCO, consuming some 60 million gas as its main raw material at a subsidised rate, has not been paying the gas company since May last year. Some Japanese companies

have a big stake in the US\$ 514 million project who were reportedly cranking up pressure on the government for continuing supply of gas at subsidised rate, that too on deferred payment.

The new government in 1991 tried in vain to revoke the agreement of the joint venture agreement.

Figures given by the Industries Minister in Parliament yesterday showed KAFCO had earned a profit of Tk 11.41 crore during the first 45 (forty-five) days of its operation 16 June-31 July 1995. Again in the second year of its operation it earned a profit of Tk 12.73 crore.

But in the first year, excepting initial one and half months, KAFCO incurred a loss of Tk 42.74 crore, and in the third year (up to March 1998) Tk 61.40 crore. The cumulative loss stood at Tk 80 crore.

'Salt traders make mockery of law'

By Gobinda Bar

Violating regulations, most producers of iodised salt have been marketing their products either adding high-level of iodine or without the element at all.

Government inspectors are to monitor whether the required amount of iodine was being mixed with salt, but good packaging has helped merchants market their products in a gross violation of the 1989 act, according to a survey. The act makes it mandatory that iodine is added.

The survey conducted recently by a research student of Jahangirnagar University, Mohammad Zakir Hossain, has found a very small number of samples having iodine content at the recommended level.

The study was conducted at household, retail and industrial plant levels in Dhaka and Narayanganj where salt industries are mostly concentrated.

Of some 85 samples at household level, not a single one was found having the recommended level of 25 PPM. Of the total, 50.59 per cent had iodine content below the recommended level.

At the retail level, no sample was found within the recommended level of 30 PPM while

48.60 per cent samples were found with inadequate iodine content.

At the plant level, 10 per cent of the samples were found within the recommended level of 45 to 50 PPM, while 37 per cent with inadequate iodine and 53 per cent contained iodine much higher than recommended.

"There is no quality control system in the production of iodised salt at all and around 98 per cent producers do not know the recommended level of iodine", the study said.

The producers claimed that they properly refined salt before iodisation. But irregular grain size, high moisture and insoluble matter content in almost all the samples disproved the claim, the study said.

Retailers sell one kilogram of iodised salt for 10 takas, while the same quantity of non-iodised salt sells for six takas. They justify the value addition saying that the iodisation process make the salt costlier. The survey found the maximum expenditure for iodisation of one kg salt is Tk 0.20 only.

There should be no significant increase in the price of iodised salt compared to non-iodised salt as the producers get

Salt Iodisation Plant and Potassium Iodate as raw material free of cost from the government," the study concluded.

Another survey, conducted by Prof Kazi Salamattullah of Institute of Food and Nutrition Science at Dhaka University, also revealed that most of the samples collected from different shops in the city had much higher iodine content than was permissible.

An adult human needs 150 micro gram of iodine everyday but excessive iodine may cause serious health hazards including allergic reactions, thyroid diseases and iodine induced thyrotoxicosis.

Considering the probable serious health hazards due to the lack of iodine in foods, the government enacted a law in 1989 to make iodisation of salt mandatory.

The law says the violators could end up serving up to three years in jail or paying a fine of Tk 5000 or face both.

Incidence of violations is far greater in rural areas than in cities.

During a recent visit to several remote areas of Madaripur and Gopalganj, this correspondent found traders selling non-iodised salt violating the rules.

Minister tells workshop

7 pc economic growth must be achieved to alleviate poverty

State Minister for Planning Dr Mohiuddin Khan Alamgir has said all national efforts should be fused to the same tune to achieve the seven per cent economic growth, projected in the 5th Five Year Plan, reports UNB.

"Economists dub it a very ambitious projection, but this growth must be achieved if we really want to alleviate poverty," he told a workshop at the IDB conference room at Sher-e-Bangla Nagar yesterday.

The workshop on "Bangladesh Poverty Monitor," organised by Bangladesh Institute of Development Studies (BIDS), was attended by economic analysts and development researchers.

Bangladesh Bank Governor Lutfar Rahman Sarkar, BIDS senior research fellows Dr Atiur Rahman and Dr Binayak Sen, and UNDP deputy resident representative Andre Klap spoke at the inaugural session. BIDS Director General Abu Ahmed Abdullah presided.

The State Minister for Planning stressed the need for a general consensus, both political and administrative, to achieve the projected growth aimed at alleviating poverty.

He identified unemployment, lack of proper education

and human resources development, increase of population in poor families, inequitable distribution of resources and natural disasters as main reasons for poverty.

Lutfar Rahman Sarkar said although poverty situation seems to have improved over the years, but the number of absolute poor has increased from 50 million in 1988-89 to 55 million in 1995-96.

Despite a relentless war against poverty and massive activities of formal and semi-formal micro-financing institutions, 48 per cent people still live below poverty line and 60 per cent of rural farmers are landless, he added.

The Bangladesh Bank governor pointed out that micro credit programmes could not achieve the desired success in poverty alleviation for want of a well-defined national policy.

A country report on Bangladesh poverty situation, prepared jointly by Dr Atiur Rahman and Dr Binayak Sen, project director and project coordinator of the UNDP-sponsored South Asia Poverty Monitor, was presented at the second session.

Earlier, speaking at the inaugural session, Dr Atiur Rah-

man felt the need for participation of the civil society in poverty alleviation, which, he said, is not possible for the government alone.

Tongi Pourashava budget announced

SAVAR, June 25: Tongi Pourashava today announced a Tk 11.60 crore budget for 1998-99 financial year showing a surplus of more than Tk 35.22 lakh, reports UNB.

The budget, announced by Pourashava chairman Azmatullah Khan, proposed no fresh tax.

Total revenue income was estimated at about Tk 6.10 crore while the rest of the fund will come from government grants, assistance and other sources.

Around five lakh people reside within the Tongi Pourashava.

Some members of the pourashava speaking on the occasion suggested reduction in holding tax. They argued that 14 per cent holding tax is much higher compared to 7 per cent in the capital city of Dhaka.

They demanded higher allocation for check mosquito menace, establishment of stands for bus, trucks and other vehicles, library and a stadium.

OPEC to drastically slash oil output

VIENNA, Austria, June 25: OPEC said Thursday it will drastically slash oil output, hoping to undo the damage it did to prices by an ill-judged decision to start pumping more crude last winter, reports AP.

World oil supplies are now so glutted that OPEC acknowledged its plan to withdraw some 1.355 million barrels a day from the market is not likely to have an immediate impact.

OPEC was right on that point. Brent crude oil to be delivered in August fell 15 cents to 13.46 dollar per barrel by late Thursday morning on London's International Petroleum Exchange.

Traders were skeptical about whether OPEC will deliver on its latest promises and it likely will be about six weeks before they get initial indications about whether all the promised production cuts are real.

Nigerian oil minister Dan Etete suggested that it might take until October or November for prices to improve by around three dollar per barrel.

But experts say that if OPEC sticks to its promises — and this is far from certain given group members' previous lack of will power — then prices could move sharply higher by early next year, shifting the fortunes of global economies.

The OPEC president, United Arab Emirates oil minister Obaid bin Saif-al-Nasser, vowed that the new cuts will "banish the volatility so plaguing the market."

Algerian oil minister Yousef Yousef said Thursday that if the lower production fails to improve the market, then the exporters might agree to curtail output even more sharply.

"If it is necessary to cut further, OPEC will meet and take a decision," Yousef said.

Firm prices were seen as a welcome relief to oil producers who recently saw oil plunge to levels unseen since the industry's disaster year of 1986. OPEC's average price was less than 11 dollars per barrel last week, barely half the group's official target of 21 dollars, though it since

has shown a modest recovery.

If OPEC's plans succeed, then consumers, including gas-guzzling Americans, and oil-dependent economies like Japan and Germany would stop getting such a huge break on their fuel bills.

Leo Drollas, chief economist at the London-based Center for Global Energy Studies, said OPEC's new deal appears to have a "slow-burn fuse" but that the promised production cuts are severe enough to make supplies extremely tight in the longer term.

London, July 25: Tokyo is the world's most expensive city and Jakarta, capital of economically turbulent Indonesia, is the cheapest, a study by the Economist Intelligence Unit Research Group said yesterday, reports AFP.

Tokyo was followed by the southern Japanese city of Osaka, the same top two as in last year's list, the report said. Third place was Hong Kong.

The most expensive European city is Oslo, the fourth dearest in the world, closely followed by Zurich. London moved into sixth place, overtaking Paris in eighth place.

New York moved from 22nd to 16th place due to the strength of the US dollar against other world currencies, particularly the Asian currencies. New York moved on to the same level as Singapore and just behind Stockholm.

Libreville, capital of Gabon, remained at sixth place, the most expensive place in Africa and equal with London. Tel Aviv was the most expensive middle eastern city, in 13th place.

Asian cities, weakened by the regional economic turmoil, generally dropped down the list. Cheapest was Jakarta, followed by New Delhi.

Shipping Intelligence

Berth position and performance of vessels as on 25.06.98

Berth No.	Name of vessels	Cargo	L. port	Local agent	Date of arrival	Leaving
J/1	Banglar Urmil	GI/GI	Busa	BSC	7/6	25/6
J/2	Ravidas	Rice/GI	Kaki	SSLL	6/6	25/6
J/3	Tantoraya	Cement	Sura	Iml	R/A	28/6
J/4	Sanko Laurel	M. Seed/GI	Titi	Litmond	21/5	26/6
J/5	Bay Sisters	GI	Walo	Seacom	11/6	30/6
J/6	Ocean-1	GI	Walo	Cross	16/6	27/6
J/7	Indian Goodwill	Sugar/GI	Suda	Seacom	8/6	28/6
J/8	Leo Yang	GI	S. Hai	Bdship	18/6	28/6
J/9	Ib Everett(48)	GI	Sing	Everett	23/6	27/6
J/10	Ritz	Rice/GI	Kaki	Cross	6/5	5/7
J/11	Andhika Tarunaga	Rice/GI	Kaki	Cosmos	11/6	30/6
J/12	Qetcal	Cont	Sing	QCSL	20/6	25/6
J/13	Nol Beryl	Cont	Sing	Nol	16/6	25/6
CCT/2	Hai Xiong	Cont	Sing	Pil (BD)	17/6	26/6
RM/14	Ryomyong	Cement	Sing	Delmore	21/5	5/7
GSJ	Delta Star	Wheat/GI	Darb	RSA	20/5	5/7
TSP	Navigator-D	R. Phos	Jin	Seacom	14/6	1/7
RM/3	Pride of the South	Cement	Sing	RSA	R/A	28/6
RM/4	Wald Al Agouz	Cement	Herin	MHCSL	6/6	29/6
RM/6	Surabaya Express	Cement	Herin	MHCSL	6/6	29/6
DD	Banglar Jyoti	Repair	Idle	BSC	R/A	30/6
DDJ/1	Tanary Star	Repair	Para	PSAL	31/5	30/6
DDJ/2	Martina	Repair	Kand	Cross	31/5	30/6
RM/8	Qe Pintal	Repair	Sing	QCSL	17/6	25/6
RM/9	Banglar Kakoli	Repair	Idle	BSC	R/A	30/6
CULFJ	Josie	Idle/Rice/GI	Kaki	USTC	28/4	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port	Local agent	Cargo	Loading
Zilina	25/6	-	Aass	GI	-
Britoil-4	26/6	Sing	B. Bay	Boat & Pontoon	-
Prosrich (Cont)116/6	26/6	Sing	QCSL	Cont	Sing.
Svendborg Governor	26/6	-	Pki Sunshine	GI	Itali
Knabold	29/6	-	Cla	GI/Log	-
Enameslas (48)14/6	29/6	-	Cla	GI/Log	-
Banga Biraj (Cont)14/6	29/6	Sing	Bdship	Cont	Sing.
Banga Biraj (Cont)14/6	29/6	Sing	Baridhi	GI	-
Dong Fah	30/6	Sing	Hai	Bdship	Cont
Yong Jiang	27/6	Sing	Hai	Bdship	Cont
Banglar Moni (Cont)14/6	1/7	Sing	BSC	Cont	Sing.
Banglar Robi (Cont)20/6	30/6	Sing	BSC	Cont	Sing.
Taipung Star (Cont)8/6	7/7	Sing	AML	Cont	Sing.
Sea Bright (Cont)20/6	1/7	Sing	Pil(BD)	Cont	Sing.
Xpress Resolve(Cont)21/6	30/6	Sing	RSL	Cont	Sing.
Pelopor	30/6	-	Mhesl	Cement	-
Sirte Star	30/6	Taiw	Cross	GI(St. Coil)	-
Ocean Sampaguita (48)23/6	30/6	-	Everett	GI	-

Tanker due

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Danube	28/6	Sing	ECSSL	HSD

Vessels at Kutubdia

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Laut Tide	C. Oil	-	B. Bay	R/A(15/6)
Kuzbass	C. Oil	Jebe	DSL	24/6
Banglar Shourah	C. Oil	-	BSC	R/A(21/6)

he above are today's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by RC Group, Dhaka.



New WFP Representative

WFP concludes '97-'98 work season

World Food Programme (WFP) has concluded another successful season of food assisted development activities under its Rural Development (RD) Programme in Bangladesh, says a press release.

A total of 220,000 tons of WFP and bilateral food assistance at an estimated cost of Tk 335 crore was provided to support these activities during 1997-98 work season.

Various rural development projects were implemented during this period by BWDB, LGED, Department of Fisheries, Forest Department and a large number of NGOs.

An initial estimate indicates that the food assisted RD programme provided employment opportunities to about 500,000 rural poor men and women in the 1997-98 work season.

The programme has also the provision of developmental packages for long term sustainability of the poor households and about 2 million people are benefiting from the RD programme.

Concluding the successful work season of the RD programme, the newly appointed WFP Representative in Bangladesh, Werner Kiene, expressed his determination to further enhance the effectiveness of food as a valuable development resource for the rural poor in the country.

Exchange Rates

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

Currency	Selling TT & OD	Buying TT & OD	Selling TT & OD	Buying TT & OD
USD	46.5050	46.1100	46.5450	45.9570
GBP	77.9796	76.8100	78.0467	76.5552
DEM	25.9703	25.5925	25.9926	25.5076
JPY	0.3308	0.3251	0.3310	0.3243
FRF	7.8015	7.5818	7.8083	7.5566
SAR	12.4315	12.2607	12.4412	12.2200
MYR	11.7248	11.5293	11.7389	11.5266
AED	12.6968	12.5193	12.7078	12.4778
RWD	156.8895	145.5962	157.0344	145.1121
QAR	12.8120	12.6301	12.8230	12.5882

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 25, 1998

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
Cash	45.8850	46.5050	USD	5.6625	5.8875	5.75	5.7825
T.C	45.8850	46.5050	GBP	7.5625	7.8125	7.875	7.9375

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesia Rupiah	Korean Won
42.650	44.360/44.410	41.160/41.260	3.9650/3.9750	14600/14900	1370/1380

Amex notes on Wednesday's market

The local interbank foreign exchange market was less active on Thursday. Demand for dollars was steady at lower than yesterday's. USD/BDT traded mostly within a range of 46.4500 to 46.4550.

The call money market was steady yesterday's due to T-bill maturity of Taka 530 crore. Call rates rose slightly and ranged between 7% and 9% for the day.

The dollar was softer against yen in late Tokyo trading on Thursday, pressured by position adjustments after failing to break decisively through a technical resistance of 141.70 Yen.

Dealers squared their positions after they found that dollars rise was limited against the yen. But, there was still substantial USD buying demand on dips, from investors and bargain hunters.

The market was cautious about a fresh intervention from BOJ if USD approached 142 yen, as that is the level where BOJ and Federal Reserve intervened last week.

The dollar had rebounded sharply after the intervention, and unless intervention against took place or BOJ took fresh steps, USD might rise against the yen.

Dealers anticipate that President Clinton's visit to China might cause a rise in USD, but they warn that a weak yen could destabilize the yuan.

The dollar stood at 141.25/35 yen and 1.8020/30 DM in rate New York trading. USD was steady in Europe just below 1.80 DM and 141 Yen GBP/DM slid to 2.9940/50 DM after data released showed that manufacturing orders were the lowest in 5 years in UK. GBP stood at 1.6659/67 against USD. DEM/CHF reached its highest level in 1 Year.

At 1900 local time in the international market the USD traded at 1.7972/82 DEM, 141.03/13 JPY, 6.0260/70 FRF, 1.5068/78 CHF, and GBP at 1.6661/69 USD.