



**Cabinet okays proposal**

**Target for wheat, IRRi procurement increases**

The cabinet at a meeting here yesterday approved the proposal for increasing the wheat and IRRi-boro procurement target during the current season, an official handout said, reports BSS.

Prime Minister Sheikh Hasina presided over the meeting held at the Prime Minister's Office. Ministers, state ministers in charge of different ministries, cabinet secretary, principal secretary to the prime minister and secretaries concerned were present.

The handout said the wheat procurement target was raised to 2.25 lakh tonnes this year in view of good harvest during the current season. If needed, it said, more wheat can be procured.

At the initial stage, wheat procurement was fixed at 1.5 lakh tonnes which was later raised to 2.0 lakh tonnes, the handout said.

The target for IRRi-boro procurement was raised to 4.0 lakh tonnes from 2.5 lakh tonnes during the current season, the handout added.

**Malaysia lifts curb on logs from Indonesia**

KUALA LUMPUR, July 13: Malaysia has agreed to allow the import of Indonesian logs and Sawm timber into Malaysia for further processing, a report said yesterday, reports AFP.

Lim Keng Yaik, Primary Industry Minister, was cited by the Daily Express newspaper in Sabah state as saying the decision to lift the curb was made following Jakarta's move to reduce the export tax following recommendation under an International Monetary Fund (IMF) reform package.

Lim said Indonesia had reduced their export tax to only 30 per cent of the Free on Board (FOB) price.

Lim said, previously Indonesia imposed export tax of 500 dollars per cubic metre for logs while Sawm timber was 250 dollars per cubic metre.

Malaysia last year stopped the importation of logs and Sawm timber from Indonesia due to smuggling activities in the country.

**BIS meeting opens to discuss world's current economy**

TOKYO, July 13: The Bank for International Settlements (BIS) opened its monthly meeting today here, bringing together central bank governors from more than 30 countries, says AFP.

US Federal Reserve Board Chairman Alan Greenspan and the President of Germany's Bundesbank, Hans Tietmeyer, are among participants in the first monthly BIS meeting held outside Europe.

Participants in the meeting, being held at the headquarters of the Bank of Japan in central Tokyo, include the G10 group of leading industrial nations as well as Asian countries, officials said.

The group of 10, which actually is made up of 11 nations, comprises Belgium, Britain, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland and the United States.

The monetary leaders are expected to discuss the world's current economy, including the state of Asian economies following the region's financial crisis, the officials said.

Tokyo will later this week host a meeting of EMEAP central bank governors, a group which brings together officials from across Asia and Oceania.

**Iraq counts on free trade zone to revive economy**

BAGHDAD, July 13: Iraq is counting on a free trade zone in its Gulf's port of Khor Zubair to revive its economy which has been devastated by eight years of UN sanctions, Commerce Minister Mohammed Mehdi Saleh said yesterday, reports AFP.

The cabinet gave the go-ahead in May to set up the zone as magnet for foreign investment. It will be the first of its kind in Iraq and cover an area of 12 square kilometres (five square miles) when completed.

Saleh said in an interview with Al-Mussawer Al-Arabi weekly that the zone would offer several advantages for foreign investors.

The free trade zone will be in a port equipped with modern installations," he said, adding that its size would allow industrial investors to manufacture their goods on site.

"Also the raw materials and manpower will be available at low prices," said the minister.

In its initial stage, expected later this year, the zone will cover one square kilometre (less than half a square mile), according to reports in official newspapers.

## Private banks likely to waive RMG LC acceptance fee soon

Star Business Report

Bangladesh Association of Banks (BAB) has said it will consider the BGMEA plea to exempt or reduce the so-called acceptance charge levied on back-to-back garment LCs, BGMEA president said.

Speaking at a press conference after a meeting with BAB chief Abdul Awal Minto, Mostafa Golam Quddus said some of the private banks would withdraw and reduce the fee which totalled about US\$ 57 million or Tk 250 crore a year.

Arguing that the fee, done away with by the state-owned banks last year at the request of the BGMEA, was discriminatory and meant a loss of competitiveness of Bangladesh apparel exports, the garment leaders launched a campaign for a waiver.

BGMEA also argues that recent financial crisis in the Southeast Asian countries and subsequent currency devaluation by neighbouring India and Pakistan have made things far more difficult than before. "To sustain in the competitive global market, the banks should now give a waiver to the manufacturers," Quddus said.

Minto told the Daily Star that he was going to hold a meeting with his BAB members next week when he would ask the bankers to consider the issue "sympathetically."

"I have a good gesture for the garment manufacturers... and I will try to do something for them," he said.

Minto, chairman of National Bank Limited, told BGMEA leaders that his bank would give a full exemption from the charge before the end of this month, according to Quddus.

The private banks kept on charging one per cent AC on the total value of an LC though the nationalised commercial banks had waived it last year, Quddus pointed out to BAB chief.

Quddus said the garment sector had helped the country earn US\$ 22 billion or about Tk 100,000 crore in the last 20 years. According to him, garment entrepreneurs have invested Tk 3,900 crore in the sector to set up 2,700 factories.

Quddus said the banks were deducting commissions on different counts amounting Tk 1,600 crore a year from the export bills.

Meanwhile, the manufacturers have been seeking support to set up composite textile mills. "Garment owners can themselves set up backward linkage composite textile mills if the government gives a directive to the banks so that they receive project loans providing a nominal equity, between five and 10 per cent," Quddus told the press conference.

Bangladesh uses more than 2.5 billion yards of fabric a year of which only five to 10 per cent is supplied from domestic sources.

According to Quddus, more than 50 per cent of the total RMG input imports worth about US\$ 1.9 billion per year are done through private banks.

He told a questioner that the BGMEA was committed to help revive some 250 sick garment units so that the banks could get their money back.

The CEOs of the private banks Sunday urged Quddus to help them recover the bad loans, amounting to about Tk 500 crore.

The BGMEA president told another reporter that while his organisation and government officials were working together to change the poor image of the country abroad, many NGOs and trade unions were painting a bad picture of the nation.

"It is sad that they go abroad and say something negative about us," Quddus said adding he was working with international donor agencies and NGOs to improve the working condition of the garment factories.

## Bid to head off social unrest China curbs sales of small state firms

BEIJING, July 13: Shifting into reverse over painful reform of its creaking state sector, China called at the weekend for curbs on sales of small state firms to head off social unrest, reports Reuters.

But needed overhaul of China's rotten financial sector appeared to be steaming ahead with an announcement yesterday that Beijing would unveil new regulations on closing illegal financial institutions.

The retreat on state enterprise reform, coupled with the sign of increased worry over the country's financial health, came amid more news of deflation that threatens this year's 8.0 per cent economic growth target.

On Saturday, official media reported a directive from the powerful state economic and trade commission ordering local governments to dispense curbs for ailing state companies on a case-by-case basis and not adopt sweeping sell-offs.

"Recently there has been a mistaken tendency of across-the-board sales of small state enterprises," the China Securities Newspaper said.

Some local governments had set quotas for sales of state firms and used tactics that had seriously affected local economic development and social stability," it said.

Chinese President Jiang Zemin and economic point man Premier Zhu Rongji have made reform of the state sector a centerpiece of their rule, pledging to turn sickly state dinosaurs into robust competitors by the end of the century.

Many state firms, protected by years of socialist subsidies and official monopolies, are saddled with bloated workforces producing shoddy goods and are unable to compete in the sink-or-swim marketplace.

But analysts said the prospect of privatised companies shedding armies of unemployed workers remains unsettling.

Fears of social instability triggered by economic woes were highlighted last week when China said retail prices slid 3.0 per cent in June, pointing to a weakness that threatens economic growth and job creation.

China's leaders insist the 8.0 per cent target is vital to creating new jobs for millions of state workers to be axed.

## Airtel opens new showroom

A new showroom of Airtel Limited, an authorised dealer of AKTEL Mobile Phone Network was opened at Alka Plaza on Mirpur Road in Dhanmondi (opposite to Kalabagan bus stand) on Sunday.

The showroom will provide services to customers of Dhanmondi, Kalabagan, Sobhanbagh and adjacent areas, says a company press release.

Zahiruddin Khan, Chairman of TM International (BD) Ltd (AKTEL) inaugurated the showroom as chief guest.

Md Nasir Baharom, GM (Marketing) TM Int'l (BD) Ltd, was the special guest.

Chairman of Coronet Corporation Ltd, Omar Golam Rabban, Chairman of Airtel Ltd, TP Biswas and MM Sobel, were Managing Director, were also present.

Besides the Airtel connection, Airtel will sell 'Philips' and 'Ericsson' brand mobile handsets.

Airtel opens its new showroom at Dhanmondi of the city. — Airtel photo

## OECD financial market report FDI into SEA not dented by crisis

PARIS, July 13: The OECD said yesterday that foreign direct investment (FDI) into Southeast Asia had not been dented by the financial crisis and the outlook for this kind of investment remained mixed, says Reuters.

The impact of the renewed currency crisis on FDI flows into Southeast Asia will depend on a number of influences which, to some extent, are offsetting," the 29-nation think-tank of industrial countries said in its financial markets trend report published yesterday.

"Slower growth and political turbulence will dampen investor interest, while more competitive exchange rates, further liberalisation and a greater willingness of local firms to cede control to foreigners will also encourage FDI," the Paris-based organisation added in the three-yearly report.

A significant share of foreign direct investment in the region was to supply goods and services to the local and regional markets and slower growth would lead to less direct investment in the short term.

This was particularly the case for the automotive sector, where purchases were usually made on credit and where demand had been hit by a rise in interest rates to defend currencies.

The OECD said investors' decisions would also be influenced by exchange rates, with many Southeast Asian currencies having depreciated by over 30 per cent against the dollar since July 1997.

"This will assist national economies as they try to compensate for depressed local demand by exporting. While they will have little advantages over each other because all currencies have fallen, they will have gained some advantage over Chinese exports," the report said.

The OECD said exchange rate movements would also have implications for the profitability of a given investment, while depreciation lowered the potential dividends from the affiliate in dollar terms, the cost of making an investment was considerably reduced on top of the fall in asset prices.

"If the currency is expected to appreciate in the future then this latter effect will outweigh any short-term decline in dollar-denominated dividends," it said.

The OECD noted that local Southeast Asian companies in search of capital were now more likely to sell shares or even a controlling interest to foreign investors, on top of that, gov-

## ICC seeks linkage between EU trade mark system and Madrid Protocol

Star Business Report

Agreement by the European Union to link its trade marks system to the existing worldwide provisions of the 1989 Madrid Protocol would constitute a major step towards creating a seamless international system of trade market protection, said the International Chamber of Commerce (ICC) recently.

A statement by the ICC Commission on Intellectual and Industrial Property expressed business disappointment at the failure at the EU Council of Ministers in Cardiff last May to reach agreement on establishing such a link.

The provision was important for businesses all over the world that use the EU trademark system, ICC said in a press release.

"Failing to create a smooth linkage between the European Community Trademark system and the Madrid Protocol will in the long run alienate major sectors of the business community from the European Community Trademark system," the statement said.

ICC said a flexible and cost-effective mechanism allowing trademark owners to pass from one system to the other would alleviate administrative and financial burdens on trademark owners.

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"It is sad that they go abroad and say something negative about us," Quddus said adding he was working with international donor agencies and NGOs to improve the working condition of the garment factories.

## Exchange Rates

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

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Slight	Buying TT & OD
USD	47.3050	46.9100	47.3450	46.7570	46.6850
GBP	77.5707	76.4070	77.6363	76.1578	76.0405
DEM	26.2645	25.8971	26.2867	25.8126	25.7729
JPY	0.3332	0.3279	0.3335	0.3268	0.3263
FRF	7.8918	7.6714	7.8985	7.6464	7.6346
SAR	12.6562	12.4671	12.6669	12.4264	12.4073
MYR	11.1700	11.0767	11.1794	11.0406	11.0236
AED	12.9153	12.7356	12.9263	12.6950	12.6755
KWD	159.1957	147.8645	159.3303	147.3822	147.1552
QAR	13.0324	12.8492	13.0434	12.8073	12.7876

USD usance export bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
46.8112	46.5191	46.1282	45.7373	45.3463	44.9545

US dollar London Interbank Offered Rate (LIBOR) effective as of July 13, 1998

	Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
Cash	46.8850	47.3050	USD	5.6825	5.6875	5.75	5.75	5.78125
TC	46.8850	47.3050	GBP	7.5825	7.8125	7.875	7.875	7.875

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.570/42.590	46.440/46.460	41.700/41.800	4.2350/4.2450	15.150/15.250	1309/1312

Amex notes on Monday's market

The interbank foreign exchange market remained dull despite a slight rise in USD sales on Monday. USD/BDT traded mostly within a range of 47.00 to 47.07 with some nationalised banks transacting with Bangladesh Bank at the rate of 47.25 per dollar.

Call money market was steady and very dull with plenty of liquidity in the money market. Average call rates range between 5.00% and 6.25%.

In the international market, the US dollar was strong against the yen by late Tokyo trade on Monday in view of political uncertainty in Japan. Crisis intensified when Japanese Prime Minister Ryutaro Hashimoto announced his intention to leave after losing in the election. The dollars upside was capped by rise in the key Nikkei Index which was up by 1.68%.

Dollar would be well supported before any new LDP leader emerges to reduce political uncertainty. The dollars movement was capped by sales from Japanese investors and exporters.

Comments by former Federal Reserve Governor Lawrence Lindsey that the yen would become weaker further and may head for 160 to a dollar pushed the dollar up near 43 yen during latter part of the day.

The Indian Rupee was weaker against the dollar on later part of Monday on dollar demand in the inter bank market.

At 1900 local time in the international market the USD traded at 1.1080/90 DEM, 141.60/70 JPY, 6.0601/21 FRF, 1.5298/5308 CHF, and GBP at 1.6400/10 USD.

## HK economy may shrink throughout the year

HONG KONG, July 13: Hong Kong's economy will shrink throughout the year and unemployment will continue to rise, a prominent economist said on Monday, reports AP.

Gross Domestic Product will likely shrink two per cent this year, said Ian Perkins, chief economist for Hong Kong's General Chamber of Commerce. Unemployment, currently at a 15-year high of 4.2 per cent, could easily increase by another 0.6 per cent or more, Perkins told a Rotary Club luncheon.

Perkins predicted a flat economy for 1999 as well, saying growth may be no more than one per cent.

## PAL's ground personnel union threatens to strike

MANILA, July 13: A strike by ground personnel of Philippine Airlines could ruin a rehabilitation plan and force Asia's oldest airline to shut down, an airline official said on Monday, reports AP.

PAL's 5,000-member ground personnel union has threatened to strike to force the airline to accept back thousands of employees it sacked to stave off losses worsened by a devastating strike by more than 600 pilots last month.

Labour Secretary Bienvenido Laguesma assumed jurisdiction of the dispute involving the ground personnel on Friday, saying a work stoppage could harm the Philippine economy.

Laguesma said his order stops the ground personnel and also prevents management from dismissing more employees.

But PAL senior vice president Avelino Zapanta said the airline has received information that the Philippine Airline Employees' Union is considering defying the no-strike order.

"Another strike would be the last blow," he said. "We appeal to the union to think of the future of the remaining employees, the airline and the country."

The union filed a strike notice with the labour department last month. A mandatory 15-day "cooling off period" following the notice ended on Monday, after which the union would have been legally able to strike had the labour secretary not intervened.

## Information Technology TIPS

**ISDN**

**A Fine Line**

If you want to install an ISDN line, but already have two regular phone lines, you might get hit with a surcharge. Some local companies will install two lines of any kind without a special surcharge, but tack one on for that third connection. You might want to check with your phone company in case you'd rather convert one of your current lines to ISDN instead of adding a line.

**For Business or Pleasure**

Before calling for an ISDN hookup, check what packages your phone company offers for both business and residences. Some services may be absent from a business package, and with a residential package you won't be able to list the phone number in the yellow pages. Depending on your needs, you might want to tell them the line is for business purposes even if the service is in a residential area, or vice versa.

**Don't Hesitate, Accelerate!**

If you use Windows 95 and an internal ISDN modem, Microsoft's native drivers could give you a performance boost. You can both check your modem's compatibility with the drivers and download the drivers from <http://www.microsoft.com/windows/software/isdn.htm>.

**For Your Eyes Only**

Like regular phone numbers, you can choose to have your ISDN numbers unlisted or unpublished. Unlisted numbers are not printed in the phone book, but can be given out by an operator. Unpublished numbers are not printed or given out. Keep in mind, however, that both services usually cost extra.

**Pokey Port**

If your external terminal adapter seems to send data quickly, but chokes when receiving, the problem could be your serial port. Make sure the port has a 16550 UART, and that the port is configured for maximum throughput in Device Manager.

**Stop Phone Foolery**

If folks are abusing your ISDN line, you might be able to prevent them from making three types of calls: calls to 900 and 976 numbers; international long-distance calls; and in-country long-distance calls. Check with your phone company for the availability of these blocking options.

**Notable Numbers**

Because ISDN phone numbers and SPIDs (service profile IDs) are seldom used, it's easy to forget them. Taping them to the back of your modem provides a good reminder and keeps them close at hand.

**Buy a Line Online**

Microsoft offers a great service for ordering ISDN lines. It's actually a series of wizard-like Web pages that can place an ISDN order with your local phone company after you respond to a handful of simple questions. Check it out at <http://www.microsoft.com/windows/getisdn/orderwm.htm>.

**Powerful Protection**

If your external ISDN modem is connected to a UPS-protected mission-critical system, be sure to plug the terminal adapter into a UPS, too. If the TA requires an NT1 device, don't forget to plug that in as well.

**Traveling Terminal Adapter**

You might be able to use your ISDN terminal adapter abroad. First, it should not have an integral NT1 (NT1s are provided by the phone companies outside the United States). Second, if you wish to use it for voice calls, it must have a switch to change over from mu-law to A-law encoding. Last, you must check the modem's interoperability with the services and equipment of the country you're headed to.

By Khalid Noman/Mascom  
(Want to make your life easier with your computer? Or exploit its almost unlimited potentials? Or plan to buy a new one or upgrade the one that you have? There are so many things that you may not know but need to know. Here's your Daily Star free guide to know it all. Send inquiries to [Khusalay@hotmail.com](mailto:Khusalay@hotmail.com))

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## Shipping Intelligence

**Chittagong Port**

Berth Position and Performance of Vessels As on 13.7.98

Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Leaving
J/1	Dong Fah	G	Sing	Seaglor	5/7	22/7
J/2	Zillina	G	Sing	Aass	25/6	18/7
J/3	Andhika Adikarya	G	Sing	-	-	16/7
J/4	Banglar Mamata	G	Male	-	6/7	20/7
J/5	Sirt Star	G	Sing	Cross	1/7	13/7
J/6	Lu Shan	Sugar(G)	Hong	Seacom	9/6	18/7
J/7	Yong Jiang	G	S.Hai	Bdship	27/6	17/7
J/8	George	Sugar(G)	Sing	Seacom	20/6	18/7
J/9	Penguin	G	Yang	Smsl	5/7	16/7
J/10	Calatagan	GI/Wheat(P)	Sing	Seaglor	13/6	20/7
J/11	Hail Lin	Cont	Sing	Nol	11/7	16/7
J/12	Hai Xiong	Cont	Sing	PHI(BD)	7/7	14/7
J/13	Delight Glory	Cement	Bang	Psal	20/6	18/7
CCT/1	QC Teal	Cont	Sing	Qsel	11/7	14/7
CCT/2	QC Pintail	Cont	Sing	Qsel	8/7	14/7
CCT/3	Kota Berjaya	Cont	Sing	PHI(BD)	11/7	15/7
RM/1	Ryomyong	Cement	Sing	Delmuro	21/5	20/7
CC/1	Elang-VII	C.Clink	Lank	Seacom	15/6	18/7
TSP	Joste	Idle	Kaki	Ustc	28/4	19/7
RM/5	Rong Jiang	Recief(G)Idle	Kaki	Owsl	14/5	25/7
RM/6	Surabay Express	Cement	Herin	Mhcsl	6/6	14/7
DOJ	Wald Al Agouz	Cement	-	Rml	R/A	15/7
DD	Banglar Jyoti	Repair	-	psal	R/A	20/7
DD/1	Tanary Star	Idle	Para	psal	-	-
RM/8	Pride of the South	Cement	Sing	Rsa	R/A	15/7
RM/9	Banglar Doot	Repair	-	BSC	24/6	15/7

**Vessels At Outer Anchorage**

Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Eka Lestari	13/7	-	Ustc	Rice(G)	-
Sumsel	13/7	Mong	Simni	Scraping	-
Pelopor	16/7	-	Mhcsl	Cement	-
Xpress Nilgiri 6/7	13/7	Sing	-	-	Sing
Arktis Crystal	13/7	-	B.Bay	GI(P,Mat)	-
Al Shams	14/7	Cal	Bsl	Ballast	-
Soco Wind	14/7	-	Ustc	Rice(G)	-
Prorsich 5/7	14/7	Sing	Qsel	Cont	Sing
Arktis Trader	14/7	Cope	Sunshine	G	-
Aramac	15/7	Hong	JF	Scraping	-
Nuptse 6/7	15/7	Sing	Rsl	Cont	Sing
Amethyst (48) 8/7	15/7	Sing	Mbl	G	-
Moonace -98	15/7	-	Rainbow	G	-
Jupiter	15/7	-	Everett	G	-
Kota Cahaya 2/7	16/7	Sing	PHI(BD)	Cont	Sing
Golden Yi (48) 8/7	16/7	Kaus	Prog	G	-
Banglar Gourab	16/7	Kara	Bsc	G	-
Banglar Robi 8/7	17/7	Sing	Bsc	Cont	Sing
Da Fa 8/7	18/7	Sing	Rsl	Cont	Sing
Manaslu 23/6	20/7	Col	Baridhi	Cont	Col
Xpress Resolve 8/7	18/7	Sing	Nol	Cont	Sing
Dragon Java 6/7	18/7	Sing	Nol	Cont	Sing
Baga Biraj 6/7	18/7	Sing	Bdship	Cont	Sing

**Vessels At Kutubdia**

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
Laut Tide	-	-	B.Bay	R/A(3/7)

The above are the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.