

Tea demand
strengthens
at Ctg auction

CHITTAGONG, July 15: The demand of all grades of tea became strong again at the weekly sale held here yesterday, reports BSS.

According to market sources, prices of most types were dearer. Polish buyers were more active on bold broken and this appreciated by Taka and three, while Pakistan and Afghanistan lent strong support to medium and small broken which were also firm to dearer.

Pakistan also operated for a fair weight of medium broken at slightly lower rates internal buyers including blenders were more active for well made teas which were dearer.

Bold and large broken were strongly competed for and were dearer especially the former. Medium and small broken were initially slightly easier but with the progress of sale were firm to dearer particularly towards the close when prices appreciated by Tk 1 to Tk 2.50 over last week.

All clean grainy fannings met with strong demand and were firm to dearer by Tk 1 while popular types advanced by Tk 2 to 3 and sometimes more depending on quality. However, mediums were steady and often eased by Tk 1 to 1.50 plain types were eased by up to Tk 2.

A total of 160 chests were on offer which met with a strong demand. Fine Young Hyson (FYH) sold at Tk 112 young Hyson between Tk 105 and Tk 107 and Hyson at Tk 90 (8).

A total of 2,296 chest 2,773 gunny sacks (108 chests and 32 gunny sacks of old season) were on offer met with a fair demand. Well made good liquoring types eased by Tk 1 to Tk 2 while others declined by Tk 2 to Tk 4 with substantial withdrawals.

Powder types met with some competition and sold well. Loose tea trade was active with only some support from the blenders.

In all 19,857 chests, 9,823 gunny sacks (97 chests of old season) were on offer in the sale.

Maize farmers in
Nandail facing
problems

MYMENSINGH, July 15: Maize farmers in Nandail thana have been facing serious problems in marketing their produce due to absence of any government purchasing centre, reports UNB.

The farmers cultivated maize on 300 acres of land in Fulbaria of Chandipasha union and Shialdhora of Gangali union during the current season and produced about 15,000 maunds of maize.

But they could not sell their product as there is no demand for maize in the local market and the government is not running any purchasing centre for them.

Maize producers said frustration gripped them as they failed to cover the production cost and uncertainty prevails over cultivation in the next season.

BKB recovers
Tk 880 cr
in '97-98

Bangladesh Krishi Bank recovered Taka 880 crore during the fiscal year '97-98 which is Taka 79.00 crore higher compared to the preceding year.

During the same period, the BKB disbursed Taka 848 crore. The amount of disbursement is Taka 67 crore higher than that of the preceding year.

The bank has doubled its deposit mobilisation in the year over the previous year, says a press release.

Investment in CEPZ up, DEPZ down in '97-98

Exports increase by 37 pc

The inflow of investment in the Export Processing Zones (EPZs) declined by 11 per cent in the last fiscal year over the level of previous fiscal year while employment generation slightly dropped and other business activities boomed, reports UNB.

Official sources said the investment in the two EPZs dropped to 48 million US dollars in 1997-98 from 54 million dollars in 1996-97.

Officials at Bangladesh Export Processing Zones Authority (BEPZA) attributed the fall to the recent currency turmoil in the Asian countries. There was no physical investment in last two months, they said.

According to the sources, investment in the Chittagong EPZ increased by 39 per cent, but shot down by more than half in the Dhaka EPZ in 1997-98 as compared to the previous year.

Local and foreign entrepreneurs invested about 32 million dollars in the CEPZ and 17 million dollars in the DEPZ in 1997-98 against 23 million dollars in CEPZ and 31 million dollars in DEPZ in 1996-97.

The investment in the two EPZs was 31 million dollars and 44 million dollars in 1995-96 and 1994-95 respectively.

The cumulative amount of investment in the country's EPZs stood at about 299 million dollars — 221 million dollars in CEPZ and 78 million in DEPZ — till June, 1998.

Of the total dollars investment, Bangladesh entrepreneurs invested 48 million dollars or 16 per cent and the rest 251 million dollars or 84

per cent was invested by the foreign investors.

South Korea invested the highest 115 million dollars or 38 per cent of the total investment followed by Japan 56 million dollars or 19 per cent.

Hong Kong, USA, Pakistan, Malaysia, Thailand, Germany, UK, Denmark, UAE, China, Taiwan, Singapore, France, Canada, Panama and India invested a total of 219 million dollars.

The highest 82 million dollars or 27 per cent of the total investment was made in the garment industries followed by 64 million dollars or 21 per cent in textiles and 34 million dollars or 11 per cent in fishing and golf equipment industries.

Other industries included electronics and electrical goods, terry towel, metal product, plastic goods, leather goods, furniture, knitting and other textile products, paper products, garment accessories, caps, tent, toys and ropes.

Meanwhile, EPZ exports rose by 37 per cent to 636 million dollars in 1997-98 from the previous year's 463 million dollars.

The export of CEPZ increased by 31 per cent to 450 million dollars and DEPZ by 56 per cent to 186 million dollars in 1997-98 compared to the export earnings of 344 million dollars from CEPZ and 119 million dollars from DEPZ in 1996-97.

More than half 324 million dollars of the total export earnings of EPZs came from ready-made garments in 1997-98

while 10 per cent from caps, nine per cent from textiles and six per cent came from knitting and other textile products.

The share of EPZ export in the national export also increased by two per cent in 1997-98. The EPZ export contributed about 13 per cent in the national export in 1997-98 and about 11 per cent in 1996-97.

Bangladesh's export earnings stood at 5.02 billion dollars in 1997-98, according to BEPZA.

Industrial units of the two EPZs imported raw, packing and auxiliary materials worth about 520 million US dollars — 346 million dollar at CEPZ and 174 million dollars at DEPZ — in fiscal 1997-98.

About 95 per cent (493 million dollars) of the total import value accounted for import from foreign countries. The EPZs' enterprises imported goods worth eight million dollars (1.5 per cent) from the industries in Domestic Tariff Area (DTA) and rest of the imported goods came from the inter-zone and intra-zone transactions.

The enterprises of the EPZs exported goods worth five million dollars to the industries in DTA.

Sources said the growth of employment generation in the EPZs dropped by one per cent to 18 per cent in 1997-98 compared to the growth rate of 19 per cent in 1996-97. A total of 14,049 jobs were created in 1997-98 against 12,773 in 1996-97 and 10,706 in 1995-96.

The EPZs created jobs for 70,005 skilled and unskilled

Bangladesh manpower — 46,993 at CEPZ and 23,012 at DEPZ — till June, 1998. A total of 559 foreigners are working at the EPZs.

The highest number of manpower 37,661 (more than half) are working in the garment industries followed by cap industries, 6,943, footwear and leather products industries 5,218, knitting and other textile product industries 4,827, terry towel industries 3,813 and textile industries 3,089.

The monthly wages for the workers range from 22 to 65 dollars. Other benefits include conveyance allowance, house rent, medical allowance and festival bonus.

Some 115 industrial units — 83 at CEPZ and 32 at DEPZ — were in operation till June, 1998. Of them, 77 are owned by foreign entrepreneurs, 21 in joint venture and 17 owned by Bangladeshi entrepreneurs.

Of the total 420 ready plots at CEPZ, 345 have already been allotted while 118 plots have been allotted at the DEPZ out of 123 ready plots and 90 plots allotted at the DEPZ extension out of 260 ready plots.

Of the leased out plots, 28 enterprises at the two EPZs went on construction work. Some of them will start trial production within a month or two while 28 other enterprises are yet to start construction, BEPZA sources said.

Some 75 plots remained unleased at the CEPZ and 175 (170 in the extension) at DEPZ.

A new sector in the CEPZ having 56 plots is expected to be ready for allotment by next two months.

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 15th July '98.

Name of Currency	Buying		
	TT Clean	OD Sight	OD Transfer
US Dir	46.9500	46.7002	46.6003
GB Pound	76.3234	76.0148	75.8524
D Mark	25.8710	25.7664	25.7114
F Franc	7.7181	7.6889	7.6705
C Dir	31.5388	31.4113	31.3442
S Franc	30.7196	30.5554	30.5300
JP Yen	0.3301	0.3288	0.3281

Name of Currency	Selling	
	T.T. & O.D.	B.C.
US Dollar	47.3096	47.3492
GB Pound	77.5351	77.6000
D Mark	26.3457	26.3678
F Franc	7.7632	7.7632
C Dollar	32.1106	32.1375
S Franc	31.2762	31.3024
JP Yen	0.3396	0.3399

A) TT (DOCI) US Dollar Spot Buying Tk. 46.8551
B) Usance Rate

Days	90		120		180	
	Days	Days	Days	Days	Days	Days
US Dollar	46.8551	46.8551	46.8551	46.8551	46.8551	46.8551

C) US Dollar sight export bill 3 months forward purchase: Same as OD sight export bill buying rate.

Currency	Selling		Buying	
	T.T. & O.D.	B.C.	T.T. & O.D.	B.C.
Saudi Riyal	12.6243	12.4345	12.6243	12.4345
UAE Dir	12.8814	12.7032	12.8814	12.7032
Kuwait	156.3954	151.7408	156.3954	151.7408
D Guider	23.2502	22.9255	23.2502	22.9255
S Krona	5.8792	5.7920	5.8792	5.7920
Malay Ringgit	11.3588	11.1494	11.3588	11.1494
Sing Dollar	27.9030	27.4877	27.9030	27.4877

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 15/7/98:

Name of Currency	Buying		
	TT Clean	OD Sight	OD Transfer
US Dir	46.9500	46.7585	46.6437
GB Pou	76.3451	76.0253	75.8386
D Mark	25.8732	25.7648	25.7016
FR Franc	7.7181	7.6858	7.6669
JP Yen	0.3315	0.3301	0.3293
G.P.P.	31.5508	31.4275	31.3504
S Franc	30.6899	30.5609	30.4858

Name of Currency	Selling		Buying	
	T.T. & O.D.	B.C.	T.T. & O.D.	B.C.
US Dollar	47.3104	47.3488	47.3104	47.3488
GB Pound	77.4959	77.5612	77.4959	77.5612
D Mark	26.3030	26.3251	26.3030	26.3251
Fr. Franc	7.8428	7.8495	7.8428	7.8495
JP Yen	0.3392	0.3395	0.3392	0.3395
C Dollar	32.0770	32.1040	32.0770	32.1040
S Franc	31.2434	31.2697	31.2434	31.2697

Janata Bank's selling and buying rates in cash currency for public:

Name of Currency	Selling		Buying	
	T.T. & O.D.	B.C.	T.T. & O.D.	B.C.
US DLR	47.7000	47.4000	47.7000	47.4000
G.P.P.	77.3500	75.3500	77.3500	75.3500
S Riyal	12.4500	12.1500	12.4500	12.1500
UAE Dir	12.5500	12.2000	12.5500	12.2000
KUW Dir	152.0000	147.0000	152.0000	147.0000

Foreign firms big buyers of Japan's bad loans

TOKYO, July 15: Foreign investors have bought some four trillion yen (26 billion dollar) worth of bad loans from Japanese financial institutions since last fall, Japan's leading financial newspaper reported on Wednesday, reports AP.

US investment bank Goldman Sachs and Co and other foreign firms have been active buying bad loans from Japanese banks, insurers and other financial companies at 10 per cent to 50 per cent of their original value, the paper said.

Most of the loans were backed by real estate properties, the report said.

Japan's financial system is burdened with some 77 trillion yen (550 billion dollars) in bad loans, many left from the collapse of Japan's real estate and stock markets at the beginning of the 1990s.

The purchases by foreign companies come even as cleaning up the bad loan mess has become a top priority of the Japanese government, which sees this as a necessary step for reviving an anemic economy.

Japan wants to shed hundreds of billions of dollars in bad debt as part of an effort to rekindle its stagnant economy.

At present, ACP bananas account for only three per cent of the \$7 billion global trade in the fruit, compared with the 75 per cent enjoyed by the three major transnational producers, Dole, Chiquita and Del Monte.

The proposed EU changes will make life even harder for the small growers, and a further liberalisation of the EU regime in Geneva would be devastating, according to campaigners such as EUROBAN. They are calling for a change in the rules so that "the real costs of banana production including social and environmental costs — are included in the price and not paid by the producers and the environment".

Under the existing regime, former colonies are allowed an export quota of almost 860,000 tonnes a year, free of tariff, while non-ACP producers must pay a tariff of 75 ECUs per tonne up to 2.2 million tonnes.

Following the earlier American complaint to the WTO, the EU has proposed extending the non-ACP quota by 353,000 tonnes (at 75 ECUs per tonne) to take account of recent EU enlargement. The ACP no-tariff quota will remain the same, but will no longer be split up and allocated to specific producer states. This will enable the transnationals to grab a larger slice of the duty-free banana trade by increasing production in places such as west Africa. The new import system is to run until the end of 2004.

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Exchange Rates

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

Currency	Selling TT	Buying TT	Selling EC	Buying OD	Buying TT
USD	47.3050	46.9100	47.3450	46.7570	46.6850
GBP	77.5234	76.3836	77.5890	76.1344	76.0172
DEM	26.2587	25.8885	26.2809	25.8041	25.7643
JPY	0.3365	0.3312	0.3368	0.3301	0.3296
FRF	7.8905	7.6702	7.8972	7.6452	7.6334
SAR	12.6569	12.4678	12.6676	12.4271	12.4080
MYR	11.3850	11.2629	11.3947	11.2261	11.2088
AED	12.9153	12.7366	12.9263	12.6950	12.6755
KWD	159.3405	147.9997	159.4752	147.5170	147.2899
QAR	13.0324	12.8492	13.0434	12.8073	12.7876

USD usance export bill buying rates
TT Dec. 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 15, 1998

TC	46.8551	47.3050	GBP	75625	78125	7875	7875	7875
Exchange rates of some Asian currencies against US dollars								
Indian Rupee	Pak Rupee	Thai Baht	Malaysia n Ringgit	Indonesian Rupiah	Korean Won			
42.582/	46.430/	41.30/	4.1550/	14300/	1281/			
42.595	46.460	41.33	4.1650	14400	1285/			

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysia n Ringgit	Indonesia Rupiah	Korean Won
42.582/	46.430/	41.30/	4.1550/	14300/	1281/
42.595/	46.460/	41.33/	4.1650/	14400/	1285/

Amex notes on Wednesday's market

The interbank USD/BDT market was stagnant. The sale of USD has fallen sharply since the devaluation of BDT. Trading was done within the central bank rate (46.95/47.25), mostly within the 46.99-47.05 level Unless large L/C payments become due or the market makers start selling USD at higher rates, the market is likely to remain placid.

The call rates picked up a little on Wednesday. Payments for T-bills worth BDT 586 crore were taken from the market as opposed to T-bills worth BDT 199 crores maturing. Average call rates ranged between seven per cent and nine per cent.

The dollar made gains against yen in late Tokyo trade on Wednesday, and briefly rose to more than one yen before going down. Short covering and stop-loss buying pushed USD up as high as 141.35 yen, but when the head of Sumitomo Trust announced the continuation of merger talks with Long-Term Credit Bank of Japan. The pressure on yen eased up. Yen, under pressure as a successor of Prime Minister Hashimoto was being sought, gained respite when US ambassador commented that the US was looking forward to more fiscal steps with Japan. Additional to the political uncertainties of Japan the market is also cautious ahead of a meeting to be held later this week between US Treasury Secretary Lawrence Summers and Japan's Vice Financial minister for international affairs.

In European trading, USD made a firm stand against the yen in the morning. USD/yen stood at 140.60/70 yen down from its overnight top of 141.35 but above its late Tuesday level of 139.75/85 yen. Although USD has edged back up against the yen, the mood in Europe is likely to be cautious until the political situation in Japan becomes clear. USD/DEM holds above 1.800, but it is edging down from overnight high. USD/DEM stood at 1.8000/10 before from 1.8073, but optimism about aid to Russia gave support to the DEM and kept it from weakening. After aid to Russia was announced, DEM became strong against USD and is likely to stay within range about 1.7930 to 1.8000. GBP/DEM eased up before the UK wages data, hovering around 2.9380 DEM, but GBP bounced after the data showed a bigger than expected rise in UK wage growth, and was quoted at 2.9491/96. USD/GBP fell as low as USD1. 6330 before the data, but rose to USD 1.6373 after the data was announced.

At 1700 local time, in the international market the USD traded at 1.7988/93 DEM, 140.57/62 JPY, 6.0300/10 FRF, 1.5144/54 CHF, and GBP at 1.6369/74 USD.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 15.7.98

Berth	Name of vessels	Cargo	L port call	Local agent	Date of
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