

WB official calls for consensus on good governance, reforms

Star Business Report

The World Bank Country Director Pierre Landell-Mills yesterday said that political leaders should reach a consensus on firm and good governance and support necessary reforms.

Landell-Mills was speaking at the luncheon meeting of the American Chamber of Commerce in Bangladesh at a city hotel yesterday.

"I wonder why the government cannot deliver good and efficient services, ensure public safety, stamp out corruption, impose rule of law, make telephones work, run trains on time, handle port efficiently and ensure uninterrupted power supply," Landell-Mills said.

He said that despite an ever-increasing interest of investors the energy sector was faced with a whole lot of crises. "Power shortage is costing the economy crores of taka each month and

system losses remained almost as high as ever."

"Chittagong port is still chaotic, BTB, unable to provide efficient telecommunication services, is still opposed to privatisation and not facilitating the several private sector investors who are ever-willing to invest their money to provide better services."

"Little progress has been made in reducing the level of loan defaults. The process of repairing the damage done to the capital market by the 'boom and bust' in 1996 is painfully slow. Few SOEs have actually been transferred to the private owners and the losses, being incurred by the remaining ones continue to drain the public exchequer."

"Toll-collection is still rampant and no step has yet been taken to separate the judiciary from the executive," Landell-

Mills said further.

"These and a number of other necessary reforms require hard choices and barely any individual would deny the urgency," he said. "Reform improves the functioning of the economy and accelerates growth, job creation and poverty-reduction to a great extent."

"These measures are not taken because the voice for reform carries less political weight than the vested interests who oppose them," he said.

Landell-Mills, however, said that in the past two years he noticed some important achievements. "Two major initiatives, which required political courage and steadfastness of purpose, have been crowned with success-- the negotiation for a treaty with India on sharing of the Ganges water and the signing of the CHT peace accord."

"In addition, impressive

steps are being taken to ready a reform of the judicial system. Steps, too, have also been taken to prepare major local government reform. Landell-Mills spoke of the minister's recent announcement to appoint an ombudsman.

He termed all these "notable advances" saying "but, perplexingly, in the case of other important reforms needed to ensure accelerated development, there has been little forward movement."

Landell-Mills suggested focusing on financial sector reform, law and order, reform of public administration and privatisation.

"And a country which has successfully built a bridge over the Jamuna river on schedule and within budget can surely accomplish these other tasks," he said.

Bangladesh seen losing China jute market over low-quality export

By Rafiq Hasan

Bangladesh is likely to lose its raw jute market in China for allegedly supplying low grade jute by a section of exporters last year.

According to Jute Ministry sources, the Bangladesh Ambassador to China recently informed the government that China's quality control department detected some low-quality jute exported from Bangladesh. This news was published in a section of Chinese and English newspapers there tarnishing the image of Bangladesh.

Urging stern government action against those exporters who supplied low-quality jute, Ambassador A K M Farooq said that Bangladesh would otherwise lose its valued market in China, which is second largest buyer of raw jute after India.

"The incident may make Chinese buyers turn to other countries," the ambassador warned in a confidential letter addressed to the State Minister

for Jute A K Faezul Huq.

He also suggested the minister to blacklist the companies involved in supplying the lower-quality jute.

In particular, he named two leading jute exporters who were also included in a government delegation to China for boosting raw jute exports to that country last year. The delegation led by State Minister for Land Rashed Mosharrar visited China at the onset of last year's jute harvesting season.

Meanwhile, the raw jute exporters have hit back at the allegation saying it was illogical and baseless since all goods supplied to China were duly inspected before shipment by people nominated by the buyers.

"If the quality is poor or below standard they can go for arbitration and take necessary action as per international trade law, but they can not keep on putting the blame on us," said a leading exporter and

owner of a company, which has also been accused by the Chinese buyers.

Asked whether his company supplied low-quality jute to China, the exporter said that it was the Chinese buyers who preferred low-quality jute for their own interest.

He further criticised the Chinese buyers for making delayed payments against the letters of credit (L/Cs) and said that they were making false allegations for offering us lower prices.

He feared that jute export to China might decline in the coming years and that will not be due to our faults but for the Chinese buyers' intentional delay in realising payments against the shipments.

Bangladesh's raw jute export to China was 7.50 lakh bales last year, which is much lower than the previous year and in no way near the government's target.

The government had a target of exporting around 10 lakh bales of raw jute to China, as that country was less hit by a production shortfall last year due to a massive flood.

Jute Minister Faezul Huq admitted the matter of supplying low-grade jute to China and expressed his grave concern. The government, however, formed a committee headed by a joint secretary of the Ministry of Jute to look into the matter and solve the dispute with Chinese importers.

The committee became successful in solving some of the trade disputes through negotiations with the exporters and is now working on another 20 to 25 such disputes with China, according to sources.

According to a preliminary estimate by the government, raw jute production in the country may fall to 30 to 35 lakh bales this year from last year's 60 lakh bales.

CSE seeks to call itself National Stock Exchange

Star Business Report

The Chittagong Stock Exchange has decided to change its name to Bangladesh National Stock Exchange (BNSE).

The board of directors of CSE took the decision at a meeting on July 23.

The CSE applied to the Registrar of Joint Stock Companies and Firms for bringing the necessary change, and the registrar asked the board for obtaining a 'no objection certificate' from the regulatory body.

The officials of the joint stock companies said there was no legal bar that prohibits a company from changing its name. "But since the Securities and Exchange Commission is the regulatory body of CSE, the no objection certificate from them is required."

The CSE informed the SEC of its board decision on Monday, saying that it had launched nation-wide screen-based automated trading in three places - Chittagong, Dhaka and Sylhet from July 2.

"The CSE hopes to expand its business to other cities," AGM

Shamsul Kamal, the CEO of the bourse, said in a letter to SEC chairman. "In fact, feasibility study is already in progress to bring Comilla, Rangpur, Bogra, Rajshahi, Jessore, Khulna and Barisal to the network system."

"In the above circumstances the board of CSE is of the view that as the operation of CSE is nation-wide on wide-area network (WAN), the name of CSE should be changed to something more reflective. The board, therefore, decided to change the name to Bangladesh National Stock Exchange."

Meanwhile, the government in early 1997 had approved a proposal for setting up National Stock Exchange in the wake of 1996 share scam.

In November last year a high-level meeting had also prepared outlines in this regard.

The CSE moves comes following the finance minister's recent statement that the government has postponed the idea for NSE.



MAKING HAY WHILE THE SUN SHINES: Fishermen in the city's Kamrangir Char are perhaps making the best use of flood water by cultivating *maghar*, a variety of catfish, in enclosures which, according to them, is earning them quick bucks.

— Star photo by AKM Mohsin

Shipping Intelligence

Chittagong port									
Berth position and performance of vessels as on 22.7.98									
Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Date of arrival	Leaving			
J/1	Dong Fah	GI	Sing	Seagology	5/7	30/7			
J/2	Ekaletari	Rice (G)	Kaki	USTC	13/7	31/7			
J/3	George	Sugar(G)	Sing	Seacom	20/6	31/7			
J/4	Roro Sarawak	Vehi	Sing	Jf	26/07	28/7			
J/5	Adhiguna Jaya-1	Rice(G)	Sing	Prog	R/a	30/7			
J/6	Banglar Gourab	GI	Mom	BSC	20/7	5/8			
J/7	Winnier	Wheat(P)	Odes	AASS	7/7	8/8			
J/8	Rong Jiang	Rice(G)	Kaki	OWSL	14/5	7/8			
J/9	Able Fusilier	GI	Sing	Prog	09/07	2/8			
J/10	Bel Air	Rice(G)	Kaki	ANCL	19/7	3/8			
J/11	Delight Glory	Cement	Bang	PSAL	20/6	30/7			
J/12	Hai Xiong	Cont	Sing	Pil (BD)	24/7	31/7			
J/13	Sin Hai	Cont	Sing	QC SL	19/7	30/7			
CCT/1	Diligence Cont	Cont	Sing	QC SL	20/7	28/7			
CCT/2	Makassar Express	Cont	Sing	RSL	21/07	30/7			
CCT/3	Banglar Shukha	Cont	Sing	BSC	24/7	30/7			
RM/14	Ryomyong	Cement	Sing	Delimure	21/5	31/7			
CCJ	Kian Ann	C.Clink	Mala	Seacom	08/7	31/7			
GSJ	Adhiguna Nugraha-1	Cement	Tanj	Jaycee	8/7	1/8			
TSP	Sukarawan Naree	R Phos	Hana	Seacom	15/7	31/7			
Rm/4	Elang-III	Cement	Tanj	PSAL	15/6	3/8			
RM/6	Elang-II	Cement	Kar	USTC	20/6	31/7			
DD	Banglar Jyoti	Repair	Idel	BSC	R/A	30/7			
DOJ/1	Tanary Star	Idel	Para	PSAL	08/7	31/7			
RM/8	Josie	Idel	Kaki	USTC	28/4	28/7			
RM/9	Banglar Kallol	Repair	Idel	BSC	2/7	31/7			

Vessels due at outer anchorage									
Name of vessels	Date of arrival	L. Port	Local agent	Cargo	Loading port				
Kuta Berjaya 19/7	28/7	Sing	Pil (BD)	Cont	Sing				
Yayasan Tiga	28/7	Yang	Cl	Vehi	Sing				
Dawn	30/7	-	Litmond	Sugar(G)	-				
Solat Glory	29/7	-	Litmond	Mop	-				
Hermies	28/7	-	USTC	Sugar(G)	-				
Dorthe Oldendorff	28/7	Mad	Rainow	GI	-				
Tien Mu	29/7	-	Seagology	GI	-				
Qc Teal 14/7	29/7	Sing	QC SL	Cont	Sing				
Mild Lin 19/7	29/7	Sing	Nol	Cont	Sing				
Penta Ponggawa	30/7	-	Mhesi	Cement	-				
Pan Noble	30/7	-	Oil	GI	-				
Bangla Biraj 6/7	30/7	Sing	Bdship	Cont	Sing				
Xpress Nilgin 20/7	30/7	Sing	RSL	Cont	Sing				
Helekon	01/8	-	Seacom	C.Clink	-				
Good Faith	30/7	-	Litmond	Sugar (G)	-				
Arktis Carrier	30/7	-	Litmond	GI (COPRA)	-				
Esso Argo 23/7	30/7	Jaka	Porg	GI	-				
Vritan	30/7	-	OTBL	Scrapping	-				
Karia Sentosa	28/7	-	USTC	Rice (G)	-				
Xpress Padma6/7	31/7	Sing	Rsl	Cont	Sing				
Dong Long-1	31/7	-	Seacom	GI (COPRA)	-				
Manaslu 23/6	31/7	-	Baridhi	Cont	Col				
Porsrich23/7	31/7	Sing	QC SL	Cont	Sing				
M. Regina 19/7	31/7	Sing	Pil (BD)	Cont	Sing				
Bonsun2	31/7	-	Seacom	R.Phos	-				
Asean premier	1/8	-	Prog	GI	-				
Banglar Doot 23/7	2/8	Sing	BSC	Cont	Sing				
Trono 26/07	3/8	-	Everett	GI	-				
Xpre Resolve 27/7	4/8	Sing	Seacom	Cont	Sing				
Kota Cahaya 26/7	5/8	Sing	Pil(BD)	Cont	Sing				
Banglar Robi 27/7	5/8	Sing	BSC	Cont	Sing				
Da Fa 27/7	7/8	Sing	RSL	Cont	Sing				
Hyundai No. 26/7	8/8	-	Oil	Vehi	-				

Vessels at Kutubdia				
Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Laut Tide	-	-	B.Bay	R/A (3/7)
Aspilos	C.Oil	Rast	BSL	22/7

Vessels at outer anchorage Ready on:				
Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Arktis Crystal	GI/CI	Papa	B.Bay	R/A (18/7)
Golden Yi	GI	Kaus	Prog	16/7
Song Lin	GI	TIA	Bdship	21/7
Ma Cho	GI (D. Peas)	Sing	Litmond	19/7
Fu Knag Shan	Sugar(G)	Cape	Litmond	24/7
Banga Birol	Cont	Sing	Bdship	24/7
Jiang Chuan	GI	S.Hai	Bdship	24/7
Abuja	Cont	Col	Baridhi	28/7
Eastern Mars	GI	Busa	Prog	26/7
Zi Jin	Urea	Mong	USTC	23/7
Qc Pintail	Cont	Sing	QC SL	26/7
Socoif Wind	Rice (G)	Kaki	USTC	21/7
Surabaya Express	Cement	-	MHCSL	R/A (19/7)

Vessels not ready:				
Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Ritz	Rice(P)	Kaki	Cross	R/A(27/6)
Able General	Cement	Sing	MHCSL	24/7
Makmur Perkasa	Cement	Tanj	USTC	24/7
Ryong Nam Sam	Rice (G)	Kaki	USTC	24/7

Vessels awaiting instruction:				
Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Banglar Asha	-	-	BSC	R/A(5/6)
Banglar Kiron	-	-	BSC	R/A(19/6)
Banglar Kakoli	-	-	BSC	R/A(28/6)
Banglar Mamata	-	-	BSC	R/A(23/6)
Tempest	Cement	-	HSL	R/A(26/5)
Tug De Ping	-	Col	-	3/7
Izmail	Repair	Col	Ar1	3/7
Lestari Indah	Repair	Vesa	Olm	17/7
Delta Star	-	-	RSA	R/A(7/7)
Pride of the South	-	-	RSA	R/A(20/7)
Yong Jiang	-	-	Bdship	R/A(25/7)
Zilina	-	-	AASS	R/A(26/7)

Vessels not entering:				
Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Mu Dan Shan	-	-	Bright	R/A(20/6)
Kuzbass	-	-	DSL	12/7
Sea Eagle	Cement	Telu	USTC	17/7
Aramac	Scrapping	Hong	Jf	20/7
Eva	Scrapping	Indo	Ahz	25/7
Tug Britoil-19	-	Indo	Ahz	25/7
Alligator Miracle	Scrapping	P.Kel	BBA	28/7

Movement of vessels for 29.7.98		
Outgoing	Incoming	Shifting
RM/3 S. Express		DOJ B. Shourabh
		RM/5 Julie-N

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

Banks asked to cut gap between buying, selling interbank rates

Pak forex reserves plunge

ISLAMABAD, July 28: Pakistan's foreign exchange reserves have plunged to \$31 million dollars, barely enough to finance two weeks of imports, in the wake of economic sanctions over its nuclear tests, the central bank revealed today, reports AFP.

The reserves were down from 1.4 billion dollars the central bank had in its coffers when Pakistan carried out its first series of nuclear detonations on May 28. State Bank of Pakistan Governor Muhammad Yaqub said in a report.

The government has recovered 28 billion rupees (608 million dollar) of loans since January, the governor said, adding that cases had been registered against big defaulters.

The government has promised by Kuwait.

Prime Minister Nawaz Sharif last week ordered a crackdown on loan defaulters and the police have so far detained some 20 industrialists including a ruling party Senator to recover the outstanding loans.

The government has recovered 28 billion rupees (608 million dollar) of loans since January, the governor said, adding that cases had been registered against big defaulters.

The country's financial crisis deepened after the International Monetary Fund stalled the disbursement of 1.6 billion dollars in the wake of the sanctions.

Pakistan says it might be forced to consider a moratorium on the repayment of its \$2 billion dollar external debt if the lending was not restored.

Yaqub said the IMF board at its meeting on Wednesday would take up the issue. He said Pakistan had met IMF-mandated economic targets and hoped the loan would be released.

Reuters says from Karachi: The State (central) Bank of Pakistan (SBP) yesterday asked banks to lower the spread between their buying and selling rates for foreign exchange in the interbank market to 0.50 rupee a dollar, reports Reuters.

"The banks are directed that the difference between their buying and selling interbank rates, quoted at any given time, should not exceed 50 paisa (0.50 rupee) per US dollar, an SBP circular issued to banks said.

Current spread quoted by banks have been up to two rupees.

The SBP circular said the restriction on spreads would remain effective until the procedures for operation of a new multiple exchange rate system is finalised.

Rupee falls

Another report says: The Pakistani rupee opened 0.10 down at 56.10 to the dollar in the kerb market today amid a rise in demand for the US currency and dealers said the rupee was likely to fall further.

They said Monday's profit-taking in the dollar had pulled it down to the 56-rupee level giving major players an attractive entry point.

The State (central) Bank of Pakistan's rate was adjusted on July 22 to 46.00/46.23 to a dollar, from 46.00/46.46 fixed June 27, 1998.

Tk 1.52 cr British grant for CHT

The UK Department for International Development (DFID) will provide two lakh pounds sterling for Chittagong Hill Tracts, reports UNB.

The DFID has agreed to provide the amount equivalent to Tk 1.52 crore through the British Red Cross for the International Federation of Red Cross and Red Crescent Societies in response to an appeal for assistance in the CHT.

The grant will be made available to the Bangladesh Red Crescent Society (BDRCS) for their work in cooperation with the government in three hill tracts districts.

The activities are expected to benefit around 1.75,000 refugees and tribal people by providing supplementary food for one year, together with health, sanitation and disaster preparedness initiatives and strengthening the capacity of the BDRCS to assist in the area, says a press release.

Kakrail Aptech Centre opens

The Computers Limited (TCL) opened Kakrail Aptech Computer and Education Centre on Sunday.

"Aptech's education support services are ISO 9001 certified and such world class computer education is now in Kakrail," said Aptech Computer Education in a press statement.

The TCL established in 1983, has been providing computer education and training in Bangladesh for nearly fourteen years.

More Aptech centres are planned in different parts of Bangladesh in the near future, it added.

The Aptech Kakrail centre situated on the first floor of the Metropolitan Scout Bhaban at Kakrail VIP Road is well equipped with state-of-the-art laboratory, two classrooms, library, counselling rooms and a very friendly and congenial environment for study and training, the statement said.

Chittagong Stock Prices

Tuesday's trading performance				
Company Name	Avg Rate	Prv Rate	Change	Shares Traded
National Bank	80.00	80.50	-0.50	80
IFIC Bank Ltd	108.00	105.00	+3.00	30
Uttara Finance	275.00	270.33	+4.67	500
Aziz Pipe	590.00	589.43	+0.57	5
Quasem Drycells	25.32	25.15	+0.17	28550
Antwar Galvanizing	174.90	173.00	+1.90	50
Aflab Auto	199.14	198.15	+0.99	275
Olympic Industries	-	-	-	-
Wonderland Toys	63.63	61.10	+2.53	400
BD Auto Cars	65.00	67.00	-2.00	550
Eastern Cables Ltd	156.90	157.04	-0.14	50
Apex Food	919.89	914.75	+5.14	45
Bengal Biscuit	79.04	78.85	+0.18	1560
Beximco Fisheries	139.65	139.00	+0.65	200
AMCL (PRAN)	438.00	433.72	+4.28	110
CTG Vegetable	104.55	105.00	-0.45	320
Tripti Industries	126.53	128.24	-1.71	8173
Meghna Shrimp	103.50	102.00	+1.50	80
Gulf Foods Limited	86.25	85.00	+1.25	200
Mona Food Industries	73.90	75.00	-1.10	250
Gachihata Aquacult	55.50	55.00	+0.50	100
Padma Oil	224.50	223.50	+1.00	100
BOC (BD) Ltd	112.51	112.00	+0.51	250
Prime Textile	95.00	95.00	0.00	100
Apex Weaving	62.67	63.03	-0.36	600
Beximco Textile	148.00	143.50	+4.50	100
Beximco Synthetics	195.92	193.10	+2.82	240
Beximco Knitting	151.33	150.50	+0.88	80
Padma Textile	281.55	282.33	-0.78	220
Sajib Knitwear	36.67	36.00	+0.67	300
Chic Tex Ltd	8.06	8.02	+0.04	144000
Monno Fabrics	99.52	99.18	+0.34	2250
Eagles Star	8.20	8.10	+0.10	10350
Alltex Ind	62.77	62.47	+0.30	2950
BD Dyeing	188.25	188.		