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Transfin Trading Limited
100, Kazi Nazrul Islam Avenue, Dhaka-1215
Tel: 815307-10, Fax: 813062

The Daily Star BUSINESS

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Govt raises credit to sugarcane growers

Government will raise the amount of credit to the sugarcane growers by 20 per cent, reports UNB.

Agricultural credit provided by sugar mills to marginal sugarcane growers in each mill zone will be raised to 60 per cent from 40 per cent during the current cropping season, said a press release of the Bangladesh Sugar and Food Industries Corporation.

This was announced today by Convener of the Task Force of the Sugar Industry, Shamsur Rahman Sharif, MP, at a meeting of the Sugar Cess Road Development Committee of 15 sugar mills.

Myanmar businessmen want to set up joint venture fisheries industry

CHITTAGONG, Aug 4: The bilateral border trade between Bangladesh and Myanmar can be strengthened through river ways, reports BSS.

This was said by a ten member delegation of the Chamber of Commerce and Industry of Myanmar led by its president Advocate Oo Boon Thein when they called on president of Chittagong Chamber of Commerce and Industry Kamaluddin Ahmed at the latter's office here on Monday.

The delegation leader said Myanmar imports a huge quantities of steel, cement and fertilizer from Bangladesh. He proposed for setting up a fisheries industry on joint venture initiatives with advanced technology, said a press release said.

They also underscored the importance of increasing the volume of border trade between the two countries.

Welcoming the delegations, the Chittagong Chamber president said his chamber is very keen to expand trade and investment with Myanmar.

BKB to disburse Tk 1.5 cr loan for Sylhet pisciculture

SYLHET, Aug 4: Bangladesh Krishi Bank has set a target to disburse Tk 1.5 crore loan for pisciculture in Sylhet division during the current fiscal year, reports UNB.

The bank will disburse the amount through its 75 branches. With the implementation of the programme, fish output in the district will be increased to a great extent, it is hoped.

Bank sources said more loans will be disbursed under the poverty alleviation and mixed farming projects to boost the rural economy of the district.

Agri workshop at FBCCI today

A workshop on 'the future of agro-processing industries in Bangladesh' will be held at the FBCCI conference room at 10 am here today, reports UNB.

Finance Minister Shah A M S Kibria will attend the workshop as chief guest.

Afghan currency makes huge gains against dollar

KABUL, Aug 4: Afghanistan's currency, the Afghani, has made huge gains against the US dollar on the back of Taliban gains in the north of the country, dealers said here, reports AFP.

"In less than three days the Afghani has gone from 44,000 to the dollar to 36,200 because of the Taliban success", trader Haji Gul Ahmad said.

Although currency notes are printed by both the Taliban and the ousted Abul government — part of the beleaguered anti-Taliban alliance — analysts here say the Taliban's advances are a step to a more stable banking system.

"Everytime one side takes a step in the direction of overall victory. Hopes are raised that we are heading towards more stability in money supply and that helps the currency," said a local trader.

Kabul's bombed-out money market was bustling yesterday with dealers frantically calling fellow traders in Pakistan and northern Afghanistan by satellite telephone to keep abreast of the latest military development.

While the rival-ex-Kabul government and Taliban print the standard Afghani notes, northern warlord Abdul Rashid Dostan also prints notes for his fiefdom now under attack by the hardline Muslim militia. The so-called 'dostani' trades at over 70,000 against the greenback and is reportedly printed in Uzbekistan.

Grameen Bima chief resigns alleging mischief by some Delta Life directors

By Toufique Imrose Khalidi

The head of Grameen Bima Prokalpa, a fabulously thriving project of the Delta Life Insurance Company Ltd, resigned yesterday alleging irregularities and misappropriation of company funds by some directors.

Mahbubur Rob Sadi, a former member of parliament from Sylhet, also protested blocking funds for Grameen Bima by a group of Delta directors and warned that it would harm the interests of thousands of poor policyholders in rural areas.

Only last year, Grameen Bima earned Tk 13.5 crore in premium and hopes to generate Tk 28 crore this year. The project was conceptualised by one of the founders of Delta Life Shafat Ahmad Choudhuri with the objective of "socio-economic security for the low-income group and the have-nots".

On July 21, the company "stopped disbursement of project loans" to the Grameen Bima Prokalpa. "The order has not been withdrawn despite my advice to the concerned authority that cessation of such disbursement adversely affected the operation of the project and

is detrimental to the interests of the policyholders," he said in resignation letter yesterday.

"As a result, the project is now in jeopardy," Sadi, a Sub Sector Commander during the Liberation War who refused the gallantry award, also pointed fingers at "some directors" of the company.

"I have recently come to know that some directors of the company have been surreptitiously misappropriating company funds since 1991. I apprehend that the honest members of the Board have been forced to remain silent... through undue pressure and duress," he said in his letter to the acting managing director.

Founding Managing Director and Actuary Shafat Choudhuri resigned last month protesting alleged misdeemeanour of some Board members. Choudhuri is credited to have led Delta Life's growth to what was rated in 1997 as the top Bangladeshi company in terms of growth and management excellence.

Sadi also gave vent to his anger about the departure of Choudhuri in his resignation

letter. "We are all aware of the role played by Mr. Shafat Ahmad Choudhuri behind the formation and growth of the Company in his capacity as the founding chairman, Managing Director and Actuary and transforming it into one of the leading insurance companies of the country. Despite this, certain members of the Board of Directors pushed him to his resignation by humiliating him," Sadi said.

He also alleged that "several responsible, honest and efficient senior executives" of the company lost their jobs on "dubious grounds and in unethical manner".

Sadi was also unhappy about the Board's refusal to revise the pay scale for the Grameen Bima staff, which he said had an "adverse impact on the employee morale".

"My attempts to voice my concern over these developments have been frustrated. I have lost all confidence in the current authority of the company and I have every doubt whether the huge amount of public money deposited with the Company would remain

safe under its tutelage," he said. "I cannot be a silent witness to such manifest irregularities."

Meanwhile, the resigning project director in a statement to policyholders said it would be difficult for anybody to run away with their money as he hoped government regulators would keep a watch. He also said auditing and accounting system introduced by Shafat Choudhuri would also safeguard their interests.

And in a personal appeal to the Grameen staff, he advised them to continue their hard work. "I would like to tell you categorically that I have not resigned to escape or defend myself. Rather this resignation is aimed at protecting the company from all possible ill effects."

Growing silently from a premium income of only Tk 1.1 lakh in 819 policies in 1985 to a fantastic figure of Tk 13.5 crore with more than 1.4 lakh policyholders in 1997, Grameen Bima proved to be an unique concept in insurance business.

Weekly premium ranges between as low as Tk 9 and Tk 90, while the sum assured is between Tk 5,000 and Tk 50,000.



Nazir A Choudhury, Managing Director of Green Delta Insurance Co. Ltd, speaks at a regional conference of the branch managers of south zone of the company at Khulna Club in Khulna on Thursday. Seen on his left are A R Bhuiya, Additional Managing Director and S M Shamsul Alam, Executive Director, while on right are A G Kabir, Consultant, Nazim Tazik Chowdhury, Senior Vice President, and Shah Jahangir Abed, Vice-President of the company.

Commerce ministry meet told Prices of essentials normal, supply satisfactory

A meeting at the Ministry of Commerce yesterday reviewed the country's demand, supply and price situation of essential commodities, reports UNB.

Commerce and Industries Minister Tofiqul Ahmed presided over the meeting. Leaders of various traders' associations and officials of government bodies attended.

The meeting was told that supply of essential commodities, including rice, pulses, edible oil, salt, chilli and onion is satisfactory and price of all the commodities, excluding one or two, is normal and stable in the market.

The trader leaders said with the opening of the Bangabandhu Jhama Bridge, quick transportation of essentials has been possible, adequate supply ensured and the consumers are getting these at fair prices.

The leaders of the rice traders' association said the import and supply of rice is adequate and there is no possibility of increasing the price of

rice. Leaders of Moulavibazar and Kowranbazar Wholesale Associations told the meeting that the price of onion although shot up slightly due to disruption of transport movement across the country following onslaught of flood, it would come down within few days.

They suggested reduction of import duty on onion and chilli for decreasing the price of the two commodities. At present import duty on onion and chilli is 30 and 15 per cent respectively.

The trader leaders also urged the government to take steps for ensuring smooth transportation of good-laden vehicles and transport cost reasonable.

The meeting expressed satisfaction over the price situation of commodities in the country.

Speaking at the meeting, the Commerce Minister urged the traders to keep the supply and price of essentials stable across the country, including the flood affected areas.

He said the traders can serve the distressed humanity through their business activities which, he said, will be effective in relieving the sufferings of the flood affected people.

Haji Mohammad Selim, MP, Commerce Secretary Syed Alamgir Farooq Chowdhury and representatives of various traders' associations also spoke on the occasion.

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Pak port deal with US firm termed 'a sellout'

by Muhammad Najeeb

ISLAMABAD, Aug 4: Pakistan has signed an agreement with the US-based Forbes and Company for the development of a deepwater sea port at Gwadar with an investment of 460 million dollars.

The deal has however raised a political storm as a similar agreement between the Bhutto government and Oman three years ago was scrapped after members of the Pakistan Muslim League (PML), currently in power, described it as a sellout and claimed it would become an American intelligence base with Oman help.

Under the current agreement, Forbes will develop a deepwater fish port near the coastal areas of Gwadar or Panni in Balochistan province about 300-km from the country's commercial capital of Karachi.

The US-based company will control the deepwater port and bring in state-of-the-art fishing vessels to operate beyond the 12 nautical miles of national sea limits which records over 90 per cent of the catch. a

spokesman for the Board of Investment told IANS.

He said this vast potential was being neglected due to absence of modern fishing fleet and other facilities with Pakistan's marine industry. With Forbes' operation of the deepsea port, he said, Pakistan's food export was expected to rise from 150 million dollars to a billion dollars annually.

Besides, the government would get a ten per cent royalty on such exports.

The spokesman said work on the project would begin by the end of September and the port would be completed in three years.

Some in the political and business circles have expressed apprehension about the project, terming it a "security risk". They point out that a similar offer from the ruler of Oman in 1995 was opposed tooth and nail by members of the PML. "If a Muslim country like Oman was a security risk, how can the Sharif government justify the same agreement with the Amer-

icans?" asked right-wing political leader Maulana Samiul Haq.

In 1995, then Prime Minister Benazir Bhutto agreed to set up a joint venture company with Oman to invest in a deepwater fish harbour and a mini-port at Gwadar besides constructing a modern sea resort.

The government offered as a gift 100 acres of land to the ruler of Oman for his residence in the proposed Gwadar satellite town. The Bhutto government took these decisions quietly without taking the National Assembly or the public into confidence. A leak to the press created an uproar led by Nisar Ali Khan, who is now Minister of Petroleum. He described the deal as a conspiracy against the nation and a sellout as it would allegedly serve as a base for US intelligence agencies with Sultan Qaboos' help.

After the uproar, the Omani government decided to pull out. A spokesman of Bhutto's Pakistan People's Party (PPP), Farhatullah Babar, told IANS:

Jordan to export aluminium to Libya

AMMAN, Aug 4: Jordan's National Aluminium Co (NAC) has won a tender to supply Libya with four million dollars of aluminium, the official news agency Petra said yesterday, reports AFP.

The aluminium will be shipped from Jordan's Aqaba port starting September.

NAC also exports aluminium to the Palestinian territories, Lebanon and Yemen and is negotiating to supply Algeria and Bulgaria along with other European countries.

Libya has been under a UN air and arms embargo since 1992 for its refusal to hand over two Libyans suspected of the 1988 bombing of a US airliner over Lockerbie, Scotland, which killed 270 people.

Jordan's King Hussein recently called for an end to the sanctions.

Use of MOP, TSP declines

BARGUNA, Aug 4: The use of MOP and TSP fertilizers have been reduced substantially in the crop lands in the district, as elsewhere in the country, due to high price in the open market, reports UNB.

The marketing of fertilizer has been handed over to the private sector and there is a gradual withdrawal of the responsibilities of Bangladesh Agricultural Development Corporation (BADC) in this regard.

According to an official of BADC, the corporation has already wound up most of its 400 sales centres throughout the country which posed a serious threat to the agriculture sector.

The prices of MOP and TSP fertilizers have shot up in the markets across the country reducing the use of these soil nutrients by the poor farmers.

Sources in the fertilizer market said the use of MOP fertilizer has been reduced by 35 per cent during the last two years while the use of TSP fertilizer reduced by about half.

A section of unscrupulous traders taking advantage of the situation are selling all types of fertilizers at higher prices to make windfall profit.

On an average, the country's farmers consume five lakh tons of TSP fertilizer and 1.50 lakh tons of MOP annually.

But, the sources said, only 2.25 lakh tons of TSP and 95,000 tons of MOP were used in the last year as the price was beyond the capacity of the marginal and poor farmers.

The use of urea fertilizer, on the other hand, is increasing due to its comparative low price.

BADC was formed during the Pakistan era to provide irrigation support to the farmers and to introduce advanced technology, fertilizer and seeds in the country.

BADC gained popularity among the farmers for introducing advanced system of cultivation and for providing seeds and fertilizer at a minimum cost.

But the role of the organisation has been reduced gradually by the subsequent governments creating frustration among the farmers.

HK share prices close higher

HONG KONG, Aug 4: Prices on the Hong Kong Stock Exchange closed generally higher on bargain-hunting Tuesday, a day after the key index tumbled 4.8 per cent, reports AP.

The Hang Seng Index, the market's key indicator of blue chips, rose 28.03 points, or 0.3 per cent, closing at 7,580.80. On Monday, the index had slumped 383.43 points.

Turnover amounted to 5.14 billion Hong Kong dollars (658 million US dollars), up from Monday's 4.74 billion Hong Kong dollars (607 million US dollars).

Oil-for-food programme Iraq accuses US of delaying approval

UNITED NATIONS, Aug 4: Iraq yesterday accused the United States of "wrecking" an oil-for-food humanitarian programme by delaying approval of much-needed food and medicine, reports AFP.

In a letter to UN Secretary-General Kofi Annan and the UN Security Council, Iraqi Deputy Prime Minister Tariq Aziz said that "such delay results in wrecking the oil-for-food and medicines programme."

Aziz said that the US blockage of approval of contracts in

the UN sanctions committee "reveals the falsity of the lying allegations of the United States."

He charged that Washington was "shedding crocodile tears over the difficult humanitarian situation of the Iraqi people."

The tightly-controlled humanitarian programme, which aims to help the Iraqi people suffering from the effects of UN sanctions in force since the 1990 Iraq invasion of Kuwait, is renewed every six months.

Exchange Rates

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

Currency	Selling TT	Buying TT	Selling BC	Buying OD Sight	Buying TT & OD
USD	47.3050	46.9100	47.3450	46.7570	46.6850
GBP	77.2964	76.1349	77.3617	75.8866	75.7698
DEM	26.6237	26.2390	26.6462	26.1534	26.1131
JPY	0.3284	0.3232	0.3287	0.3221	0.3216
FRF	7.9968	7.7711	8.0035	7.7457	7.7338
SAR	12.6464	12.4731	12.6571	12.4324	12.4133
MYR	11.4057	11.3104	11.4153	11.2735	11.2561
AED	12.9150	12.7366	12.9259	12.6950	12.6755
QWD	159.2546	147.9157	159.3893	147.4333	147.2063
KAR	13.0317	12.8485	13.0427	12.8066	12.7609

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) as of August 04, 1998

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months	
Cash	46.6850	47.3050	USD	5.6625	5.6875	5.75	5.78125	5.8125
T/C	46.6850	47.3050	GBP	7.625	7.75	7.8125	7.8125	7.8125

China Motor sees 59pc jump in sales

TAIPEI: China Motor Corp., Taiwan's largest commercial vehicle maker and sole producer of Japan's Mitsubishi brand vehicles in Taiwan, on Tuesday reported 6.62 billion Taiwan dollars (\$192.4 million) in July sales, a 59 per cent jump from a year earlier.

Sales for the first seven months of 1998 also grew to 35.16 billion Taiwan dollars (\$1.02 billion) from 27 billion Taiwan dollars (\$784.7 million) in the corresponding period last year, the company said in a statement.

The company credited the good performance to good auto sales.

In July, the company's auto sales rose 36 per cent from a year earlier to 13,008. In the first seven months of the year, China Motor sold 75,184 cars, up 18 per cent from a year earlier, the company said.

Manila San Miguel in alliance talks

MANILA: Philippine food and beverage conglomerate San Miguel Corp. said Tuesday its packaging unit, Rightpak International Corp., is in talks with a foreign entity to explore the possibility of an alliance.

No definite agreement has been reached. San Miguel declined to identify the foreign entity.

The entry of a foreign partner in Rightpak is seen as a means to further improve the company's performance. Rightpak is one of the country's leading packaging concerns, producing bottles, cartons and other types of packaging products. It serves the needs of San Miguel and other clients.

126,000 S'poreans seen losing jobs

SINGAPORE: Unemployment in Singapore could rise as high as seven per cent next year, with 126,000 people out of work, if the economy slides into a recession, a labour union leader was quoted as saying Tuesday in a local newspaper.

Singapore needs economic growth of 3-4 per cent to absorb new entrants into the work force each year, said Lim Swee Say, deputy secretary-general of the National Trades Union Congress, according to the Business Times.

A seven per cent unemployment rate would be the highest in many decades, and higher than the 5-6 per cent rate in the mid-1980s recession, the daily said.

India rupee steady

The local foreign exchange market experienced a move initiated by major market players on Tuesday. The players wanted to change the undertone of the market and tried to sell dollars above 46.9800 level. USD/BDT traded mostly within a range of 46.9800 to 47.0000.

Call money market was steady around range between 6.50% and 7.00%. The Government accepted Treasury bills worth Tk 408.5 crore on Tuesday. Among these, Tk 396 crore was for 30 days with highest rate at 9.00%. Tk 7 crore for 90 days with highest rate at 9.10%, and Tk 5.5 crore for one year at 10.30% being the highest rate. The outflow of Tk 408.5 crore would not highly affect the market as there is a T-bill maturity tomorrow around Tk. 4000 crore.

In the Tokyo market on Tuesday, US dollar was stable against the Japanese yen in the Tokyo trade. Short covering by interbank traders in view of growing concerns over weakness in the Nikkei 225 stock index, put the dollar in a steady position.

The greenback hit a fresh seven-week high of 146.05 yen in the morning and then slid to nearly two yen to a low of 144.20 yen before partly recovering to 145.85/95.

The nikkei closed at 16,023.58 down by 141.50 points on Tuesday. The basic undertone of dollar/yen was still bullish but dollar sales was triggered by knock-out options at 146 yen and also fueled by clarification given by Finance Minister Kiichi Miyazawa about his earlier comments about intervention.

The dollar/yen opened in the Europe market at 144.60/70 and was little changed in the mid-session of Europe trading from the opening level.

Dealers were focusing on developments in Japan.

The dollar could not gain above 145 yen on he detail news of Japanese tax cut proposals. Finance Minister said, Japan's prime income tax rate would be lowered to 50 per cent from 65 per cent currently and tax changes would include fixed rate income tax cuts across the board.

Income tax cuts could be worth about four trillion yen and corporate tax cuts could be over two trillion yen.

Business Briefs

Unpaid leave for Thai troops

BANGKOK: Thailand's army, short of cash because of the country's economic crisis, is encouraging its troops to take a month's unpaid leave, the Bangkok Post reported Tuesday.

The army's budget for troop daily allowances is only sufficient for 11 months of the year, and some army units are short of fuel for their vehicles, the paper said.

Training budgets have also been cut by 60 per cent, and Army Commander in Chief Gen. Chetta Thanajaro has ordered commanders to suspend construction and procurement projects and divert the money to training programmes.

The army has also launched projects where soldiers grow their own food on bases to cut costs.

Thailand is battling its worst economic crisis in modern times, and the military, once immune to budget cuts because of its history of launching coups, has also had to reduce its expenses.

Japanese household spending down

TOKYO: Japan's average household spent 307,853 yen (2,130 dollar) in June, down 1.0 per cent from the year-earlier month in real terms, a government report said Tuesday.

The Statistics Bureau of the Management and Coordination Agency said June marked the eighth consecutive month of declines from year-earlier levels.

The propensity for wage earners to consume, a ratio that measures the amount of disposable income that went to household spending, rose to 77.0 per cent from 69.7 per cent in May on a seasonally adjusted nominal basis, the agency said. The ratio hit a record low 68.4 per cent in February.

The data confirmed that the weakening of the labour market has continued to discourage consumers from spending. Sluggish household spending in turn is weighing on output and further depressing labour demand, creating a vicious cycle.

Japan's unemployment rate rose to a record 4.3 per cent in June from 4.1 per cent in May. For the first six months of 1998, household spending averaged 321,638 yen (2,224 dollar) per month, down 3.1 per cent from average monthly outlays in the January-June period last year in real terms, the agency said.

Exchange Rates