

**Tk 8 cr sanctioned for emergency agri rehabilitation programme**

The government has sanctioned Tk 8.12 crore for emergency agriculture rehabilitation programme in the flood affected areas of the country, reports UNB.

The Finance Ministry yesterday made the allocation under the proposals of Agriculture Ministry.

This allocation, under Agricultural Rehabilitation Programme-2, will be spent for providing assistance to the small and marginal farmers.

Standing crops and seedlings on about 4.25 lakh hectares of land in 375 thanas in 55 districts in the country have been damaged due to flooding caused by incessant rains, onrush of hilly waters and waters from across the borders.

The agriculture rehabilitation implementation committee constituted by the cabinet division will spend the money.

Senior officials of Agriculture Ministry, Agriculture Extension Department and Agriculture Research Institutes will monitor the implementation of the programme, said a handout.

**SEC nominates IUB president as CSE director**

The Securities and Exchange Commission (SEC) has nominated Dr. A. Majeed Khan, president of Independent University, Bangladesh as Director of the Board of Directors of Chittagong Stock Exchange, reports UNB.

The nomination was given in terms of articles 19 (a) (ii) of the Articles of Association of the Chittagong Stock Exchange Limited, said a SEC press release yesterday.

**StanChart profit increases**

Standard Chartered's profit before provisions increased by 27 per cent to \$605 million at current exchange rates (June 30, 1997: \$478 million) and 4.4 per cent at constant exchange rates, says a press release.

Commenting on these results, the chairman of Standard Chartered PLC, Sir Patrick Gillam, said: "Standard Chartered's results for the first half of 1998 reflect the strength of the Group. In the light of this impressive performance we are increasing the interim dividend by 19 per cent to 6.25 pence per share. The current turbulence in Asia leads us to be cautious about the short term, recognizing that we face a challenging environment. However, we remain confident about both the fundamentals of Asia and the long-term prospects for Standard Chartered."

Cost to income ratio has improved from 54 per cent to under 50 per cent. The trading profit was at \$416 million after specific debt charge of \$139 million and after adding \$50 million to the general provision.

Headline earnings per share were 25.8 pence (June 30, 1997: 28.8 pence) and return on ordinary shareholders' funds of 20.9 per cent (June 30, 1997: 25.0 per cent) based on headline earnings.

Interim dividend per share increased by 19 per cent to 6.25 pence, the release said.

Geoff Williams, Chief Executive of Standard Chartered Bank in Bangladesh said: "These results are excellent given the difficult conditions in parts of Asia. Fortunately, Bangladesh is largely insulated from those conditions and the bank here was able to contribute fully to the Group's performance."

**Kuwait lends \$250m to boost Pak reserves**

KARACHI, Aug 5: Pakistan's foreign exchange reserves have risen to 790 million dollars with Kuwait lending it 250 million dollars to offset the impact of the US-led nuclear sanctions, the central bank said yesterday.

A spokesman for State Bank of Pakistan told AFP the soft-term loan promised by Kuwait last month, was credited to the government of Pakistan on Monday.

The loan was arranged by the state-owned Kuwait Investment Authority following a visit by a high-level Pakistani delegation to the Gulf state.

Cash-strapped Pakistan sought help from Islamic countries after the United States and Japan imposed economic sanctions against India and Pakistan over their rival nuclear tests in May.

Pakistani reserves last week plunged to 531 million dollars from 1.4 billion dollars ahead of the detonations.

The financial crisis in the country was aggravated when the International Monetary Fund suspended the payment of around 1.5 billion dollars it had committed last year.

**Delta Life directors deny charges**

Star Business Report

Directors of Delta Life Insurance yesterday denied charges that some of them were involved in irregularities and misappropriation of company funds. The accusations were made by the head of Grameen Bima Prokappa, the rural insurance arm of the company, who resigned Tuesday.

At a press conference yesterday, they brought counter-charges against the founding Managing Director and Actuary of the company Shaafat Ahmad Choudhuri who had also resigned protesting misdeemeanour and interference by some directors.

Twenty-one directors of the 36-member Board were present at the press conference called to reply to the charges referred to in Daily Star yesterday. About five of them spoke.

"The story that has appeared in The Daily Star today is totally untrue," said A. Z. Mohammad Hossain, a sponsor director, the key speaker at the press conference. "The charges of misappropriation and irregularities against some directors are all lies. We want to com-

pletely deny them."

He said there were widespread irregularities in case of promotions and commissions awarded to company executives "during the tenure of Shaafat Ahmad Choudhuri and under his leadership."

Hossain said the alleged irregularities were being investigated and that Shaafat Choudhuri himself was to blame for his departure.

"If the Board does not go along his (Shaafat Choudhuri's) way, he would not be able to carry on as the company MD" was his attitude, Hossain claimed.

He said Shaafat Choudhuri became disappointed after action had been taken against some corrupt executives who were close to him.

Nasir A Choudhuri, another sponsor director and managing director of Green Delta Insurance company, called Shaafat Choudhuri "thoroughly inefficient" when asked about a personal deal between them.

Shaafat Choudhuri claimed in a letter to the Chairman that

he paid for 5,000 shares bought in the name of Nasir Choudhuri which were to be transferred to him after three years. After repeated requests, Shaafat Choudhuri refused to go by the agreement leading to a conflict that resulted in the termination of an "innocent" executive.

Shaafat Choudhuri claimed the fired executive, a senior vice president and company secretary, helped him secure the transfer of 3,000 shares, which invited the wrath of Nasir Choudhuri. The rest 2,000 were yet to be transferred, he claimed.

Shaafat Choudhuri also claimed that Nasir Choudhuri used to interfere in all matters of the company. "His lobbying, requests for promotions, demotions, termination had been irritating all the time," the resigning managing director said in his letter to the company chairman.

Asked at the press conference, Nasir Choudhuri claimed the issue had been settled amicably and commented "no MD,

no sane person can write such a letter."

Earlier, talking to The Daily Star at his office, he had praised Shaafat Choudhuri as a thoroughly honest person who led the company's emergence as one of the top companies in Bangladesh.

Under his leadership, it grew from a Tk 1.5 crore company to a Tk 150 crore company.

Directors who criticised Shaafat Choudhuri also acknowledged his contribution at various stages. "He was almost like a god in this company," Hossain said.

Referring to stoppage of funds to Grameen Bima, they said they were conducting a "profitability test."

The directors however admitted that Grameen Bima and Green Delta, the two revolutionary projects of Delta Life, were "very good, profitable projects."

They assured the shareholders and policyholders that the company's financial position was sound and that there was nothing to worry about.



Commerce and Industries Minister Tofail Ahmed announces the five-year export and import policy (1997-2002) at a press conference held at the Secretariat yesterday. — Star photo

**Wall Street index down by 300 points Asian markets follow suit**

HONG KONG, Aug 5: Asia's stock markets, some already dropping toward levels they haven't seen in months or years, fell further Wednesday because of Wall Street's big losses but found support from what has become an unlikely source — Japan, reports AP.

The overnight drop of nearly 300 points in the Dow Jones industrial average was the worst this year and added to concerns about whether the bull run on Wall Street was reaching an end.

Wall Street's sudden drop was at least partly attributed to the seemingly endless string of bad news from Asia. Back in Asia, it added an international element to the regional worries about Japan's new government, China's growth rate, poor corporate earnings and recession.

Japan's inability to shake off years of economic drift and act like the largest economy in Asia, and second-largest in the world, has been a drag on the entire region as it tries to right itself after a very bad year.

However, on Wednesday, a stronger yen and hopes that new Prime Minister Keizo Obuchi would finally turn

things around helped make another dismal day not quite so bad in Tokyo.

In response to the losses on Wall Street, the yen rose in Tokyo and the dollars fell to its lowest level in about a week. The Nikkei recouped early losses and closed the day only 31.42 points down, or 0.2 per cent, at 15,992.16.

Obuchi addresses Parliament on Friday. Tokyo's markets are looking for signs that his government will move to reform the finance industry and make good on promises to cut taxes.

Because of the influence of the Japanese economy in Asia, development in Tokyo often are among the major factors affecting market movements.

Otherwise, there was very little to cheer about in Asia.

Some analysts said Asian giants like Hong Kong's HSBC Holdings, which have buffered their Asian woes with strong returns in the United States and Britain, now faced the prospect of those topping out, too.

Hong Kong's Hang Seng index, which plunged 4.8 per cent on Monday, resumed its slide Wednesday, closing more than

100 points down at 7,466.43.

The Hang Seng is a little more than 100 points above its low for the year and 30 per cent down since the start of 1998.

Manila's market staged a technical rebound after hitting a five-year low Tuesday and dropping further early Wednesday. The Kuala Lumpur index in Malaysia is at its lowest level in nine years, and 70 per cent off its high reached in February 1997.

Shares were down more than three per cent at the end of trading in Seoul, fell to their lowest level in almost two months in Taiwan, and dropped more moderately in Australia and New Zealand.

Hong Kong's market was dragged down by HSBC, which owns Hong Kong Bank and Britain's Midland Bank, and has a majority stake in another major Hong Kong bank, the Hang Seng Bank.

HSBC reported a 16 per cent fall in profits this week and a provision of more than \$1 billion for bad debts. Its stock fell sharply Monday, and continued its slide during the week as analysts cut earnings forecasts.

**Politics stalls \$18b US payment to IMF Situation in Asia may worsen**

WASHINGTON, Aug 5: The politics stalling a \$18 billion dollars payment to the International Monetary Fund are tangled enough in Washington. For Asians wanting the IMF to help resolve their economic crisis, the maneuvering can seem downright incomprehensible, reports AP.

"There are strong feelings. It is a serious debate," House Majority Leader Dick Armey to Texas, said Tuesday about the recent decision by House Republican leaders to postpone action on an IMF bill until September. "It is from an academic point of view, a fascinating debate that we will have. I don't know how it will turn out."

Asian leaders are less than fascinated. They see their economies sinking and are looking to the industrial world for a life preserver. The rich countries have a "paramount role... in restoring economic vi-

tality in the region," said Philippine Foreign Minister Domingo Siason.

Asian leaders warn of further social unrest and violence like the rioting this spring that toppled the 32-year rule of Indonesia's President Suharto. As US Secretary of State Madeleine Albright put it: "Misery can give rise to mistrust among nations."

Some Republican leaders have suggested the full \$18 billion dollars IMF request will be granted — but not until just before Congress quits in October.

An exasperated Deputy Treasury Secretary Lawrence Summers insisted anew that Congress quit stalling, telling the National Governors' Association in Milwaukee on Tuesday: "I would say we have a long way to go" before a turnaround in Asia.

He said the "IMF has been critical to our containment of the Asian financial crisis to

date." But the lending institution needs more money to help replenish accounts strained by loans to Asia and Russia.

The crisis has already resulted in a slowdown in exports, an increase in the US trade deficit and contributed to the recent stock market decline. American companies have over 130 billion dollars of investment at stake in the region.

The financial problems may be Asian, but the politics in Congress seem Byzantine.

They include disagreements between Republican critics of the IMF and pro-business lawmakers who support its efforts.

Furthermore, some Republicans are battling each other. Senate Appropriations Committee Chairman Ted Stevens of Alaska is pushing for the full \$18 billion dollars, as is Rep. Bob Livingston of Louisiana, chairman of the House Appropriations Committee.

**Hilsa export likely to decline this year**

From Aroop Talukdar

BARISAL, Aug 5: The country is likely to witness a decline in export of hilsa this year due to fall in production and lack of buyers.

Many hilsa importers have already signed contracts with other exporting countries. Bangladesh earns about Tk 400 crore per annum by exporting the item. Sharp variation in buying and quoted export rates have made Bangladeshi exporters incur huge financial losses.

According to the exporters, India and Malaysia are the top hilsa and other fish buyers from Bangladesh. The fish is also exported to Britain, some Arab countries and the US to meet the demand of the Bangladeshis living in those countries.

Hilsa is mostly exported to India from the southern districts, particularly Barisal. Four exporters here export hilsa to the Indian state of West Bengal between May and October by using the Benapole land route.

The exporters — M/S Md. Yusuf Ali Sikder, M. Rahman and Co, Sonali International and Bengal Marine — exported hilsa to the tune of four crore taka during May-July this year.

"Export of fish, particularly hilsa, is much lower this season," said M. Rahman of M. Rahman and Co., "as supply of the item in the market is very poor."

The sharp fall in supply has highly increased the purchasing rate of the fish. "This situation will lead to the slump in hilsa export this year compared to last year's figures," Rahman added.

It may be mentioned here that M/S Md. Yusuf Ali Sikder exported hilsa worth Tk 6 crore to West Bengal last year.

The wholesale market of hilsa here is very dull as fishing trawlers come back from the sea with poor quantities. Moreover, hilsa that are being caught these days are undersized. So, exporters and the wholesale fish traders of Barisal as well as other districts may face heavy financial losses.

**Treasury bill auction results**

The 105th auction of the 90-day Treasury Bill, the 96th auction of the 30-day and the 180-day Treasury Bills and the 70th auction of the 1-year Treasury Bill were held on Tuesday.

Sixty-two bids for a total of Tk 396 crore of 30-day Bill, three bids for a total of Tk 12 crore of 90-day Bill, two bids for total of Tk 10 crore of 180-day Bill and six bids for a total of Tk 16.50 crore of 1-year Bill were offered.

Of these, all the bids of 30-day Bill and two bids each for a total of Tk seven crore and Tk 5.50 crore of 90-day and 1-year Bills were accepted respectively.

The bids offered for the 180-day Bill were not accepted. The weighted average prices of the accepted bids against the 30-day, 90-day and 1-year Bills were Tk 99.30, Tk 97.78 and Tk 90.70 per 100 Taka respectively. The corresponding yields are 8.48 per cent, 9.07 per cent and 10.25 per cent per annum.

The authorities said they could not continue the production due to high price of the main raw material-viscous treacle.

They said, the sugar mills

**Production in liquid sugar factory remains suspended**

JOYPUHAT, Aug 5: Production in the country's lone industrial unit of liquid sugar remained suspended for the last nine years due mainly to high prices of raw materials, reports UNB.

The unit, Northern Distilleries Limited, was set up at Baitali Bazar in Joypurhat in 1986 at a cost of Tk 16 crore with a target of producing 11,000 metric tons of liquid sugar annually.

It started experimental production immediate after the commissioning, but went for commercial production only in August 1989.

The production was suspended in February the next year after producing only nine metric tons of liquid sugar.

The authorities said they could not continue the production due to high price of the main raw material-viscous treacle.

They said, the sugar mills

claimed on an average Tk 85 per maund of viscous treacle, a by-product of their industries, while the price in local market is not higher than Tk 25.

The mills had agreed to supply the material at a lower price at the beginning, they added.

Moreover, they said, the transportation cost of collecting the raw material from far-flung sugar mills was also very high.

The unit was closed after incurring heavy losses and the loan borrowed from the bank even exceeded Tk 50 crore.

Besides, there are complications in supplying chemicals including Sulphuric acid and the government cancelled an approval for setting up a plant to produce acid there.

Various pharmaceutical and food industries had purchased the liquid sugar due to its lower price which was fixed at Tk 16 per kg.

**Islami Bank invests Tk 555cr in industrial projects so far**

Star Business Report

Islami Bank Bangladesh Limited has so far invested Taka 555 crore in various industrial projects. According to a press release of the bank, the money includes Tk 226 crore as project investment and Tk 329 crore as working capital investment.

These figures are 14 and 21 per cent respectively of its total investment portfolio to 327 small, medium and large-scale industries as of June 1998.

28 thousand employment, the bank said.

Besides, 41 projects are under process of implementation against which the bank sanctioned Tk 144 crore, it added.

The bank, in keeping with its investment policy and perspective plan, has been providing project investment and working capital to export-oriented, import substitute, agro-based labour intensive projects for rapid industrialisation, creation of more employment opportunities, contributing more to GDP and sustainable and balanced economic growth of the country.

The bank financed projects include ready-made garments, garment accessories, textiles, spinning, weaving, dyeing, finishing and printing, paper mill,

**Shipping Intelligence**

Chittagong Port  
Berth Position and Performance of Vessels as on 5-8-98

Berth No.	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Leaving
J/1	Ma Cho	GI	Sing	Litmond	19/7	16/8
J/2	Golden Yi	GI	Kaus	Prog	16/7	8/8
J/3	George	Sugar(G)	Sing	Seacom	20/6	6/8
J/4	Bel Air	Rice(G)	Kadk	Ancl	19/7	7/8
J/5	Eastern Mars	GI	Bassa	Prog	26/7	7/8
J/6	Socon Wind	Rice(G)	Kadk	Uste	21/7	10/8
J/7	Winner	Wheat(P)	Odes	AASS	7/7	11/8
J/8	Rong Jiang	Rice(G)	Kadk	Ows	14/5	15/8
J/9	Song Lin	GI	Tian	BDShip	21/7	12/8
J/10	Arktis Carrier	GI	Sing	Litmond	30/7	-
J/11	Elang-II	Cement	Tanj	Psal	9/7	10/8
J/12	Banglar Doot	Cont	Sing	BSC	2/8	7/8
J/13	Xpress Padma	Cont	Sing	RSL	31/7	9/8
CCT/1	M Regis	Cont	Sing	HillBD	31/7	8/8
CCT/2	Prosrich	Cont	Sing	Qsal	1/8	7/8
CCT/3	Xpress Nilgiri	Cont	Sing	Baridha	30/7	7/8
RM/14	Ryomyong	Cement	Sing	Delmare	21/5	8/8
CCJ	Heliok	C Clinik	Sing	Seacom	2/8	13/8
GSSJ	Adhigana Nugraha-I	Cement	Tanj	Jaycre	8/7	7/8
TSP	Sukarawan Naree	R Phos	Hama	Seacom	18/7	7/8
RM/4	Lestari Utama-II	Cement	Tanj	Psal	1/8	14/8
RM/5	Port Albert	Hsd/JP-I	Sing	Mstpl	2/8	6/8
DOJ	Banglar Jyoti	C Oil	-	HSC	RA	6/8
DD	Lestariindah	Repair	Vesa	Otm	17/7	-
DD/1	Tanary Star	Idle	Pada	Psal	-	-
TR/1/2	Latit Tide	-	-	B/Bay	RA	-
RM/8	Josic	Idle	Kadk	Uste	28/4	10/8
RM/9	Banglar Kakoli	Repair	-	BSC	RA	10/8
Colj	Zinjin	Urea	Mong	Uste	28/7	6/8
Kadk/ (U)	Dang Jiang	Urea	-	RA	6/8	-

The above are today's Shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

**Business Briefs**

**Japan Cabinet okays bad loan bills**

TOKYO: Japan's Cabinet on Wednesday approved two bills designed to clean up bad loans in the country's debt-ridden banking system.

One bill would allow the government to take over insolvent banks and keep them running for up to five years while bad loans and remaining assets are sold.

The so-called "bridge bank" plan would be funded by up to 11 trillion yen (76 billion dollars) in public funds and is designed to prevent the failure of a bank from hurting its healthy customers.

The bill would allow government-appointed managers of failed banks to continue making loans to sound borrowers while they look for buyers.

Japanese financial institutions are suffocating under problem loans estimated at more than 80 trillion yen (556 billion dollars), mostly left over from the collapse of the real estate market in the early 1990s.

The second bill would create a special mediator under the Prime Minister's Office to resolve conflicting claims on the collateral backing bad loans. The difficulty of untangling such claims has been a major obstacle to resolving the bad debt problem.

The bills, along with other legislation to clean up the financial system, were to be submitted later Wednesday to a special session of Parliament that ends in October.

**FAG-Hanhwa jt venture planned**

SEOUL: Germany's FAG Kugelfischer Georg Schaefer AG agreed Wednesday to set up a joint venture with Hanhwa Group of South Korea to take over its ball bearing division for 214 million dollars.

FAG will hold 70 per cent of the joint venture company, which will start operations in October, with the remaining 30 per cent to be held by Hanhwa, the South Korean company said.

The new FAG-Hanhwa Bearing Co will be set up with 180 million dollars in capital and 34 million dollars in bank loans to take over all three ball bearing plants of Hanhwa Machinery Co Ltd in South Korea and their 1,600 employees.

Hanhwa Machinery's bearing division controls 40 per cent of the domestic market, reporting 184 million dollars in sales last year.

Hanhwa and other South Korean conglomerates are trying to unload some of their assets amid a financial crisis that has driven up interest rates and caused a cash crunch for many businesses.

Hanhwa Group is South Korea's eighth largest conglomerate, with its 26 subsidiaries engaged in chemical, petrochemical, finance and leisure businesses.

**Speedrail to link Sydney, Canberra**

CANBERRA: A consortium using the French-designed TGV high-speed train technology has been chosen to link Sydney and the national capital, Canberra. Prime Minister John Howard said Tuesday.

The Speedrail consortium, a 50-50 venture between GEC Alsthom of France and Leighton Contractors of Australia, was chosen over a German rival using magnetic levitation technology.

Howard said the train, which would travel at speeds up to 320 kilometres an hour (198 mph), would make the 285-kilometre (180-mile) journey in 81 minutes.

The train will operate between Sydney and Canberra by the end of 2003, Howard said.

The project is expected to cost \$2.1 billion (3.5 billion Australian dollars).

Speedrail will build, run and operate the link for 30 years. It will then be transferred to public ownership.

The consortium was asked to supply technology that could later extend links to Australia's second-biggest city, Melbourne, and the Queensland capital, Brisbane.

**Thai Mobil stations in desperate strait**

BANGKOK: With Thai demand for fuel shrinking because of the country's economic crisis, US-based Mobil Oil said Wednesday it will not build any more service stations in Thailand and predicted many would close.

Mobil Oil Thailand President Duke Keiser forecast that between 2,000 and 2,500 of Thailand's 13,000 service stations will be forced out of business this year.

"That might not be enough," he said. "The market is not going to support that number of service stations."

He said the 200 or so stations slated to open this year were the result of plans made by several oil companies before Thailand's economic crisis hit in July 1997.



Vice-Chairman of Chittagong Vegetable Oil Industries Ltd (Agro Division) Samsul Alam Shamim speaks at a conference and workshop of Swarna bio-fertilizer dealers, which was held in Chittagong on Saturday.