### Agro-processing industry 'can outshine garment sector in 5-10 years'

Finance Minister Shah AMS Kibria yesterday said the agroprocessing industries have the potentiality to emerge as the biggest economic sector in the country, even than the readymade garments, within next 5 to 10 years, reports UNB.

"But, we need entrepreneurs who will link up the agri-producers with the export market," he said while inaugurating a day-long workshop on "The Future of Agro-Processing Industries in Bangladesh" at FBCCI auditorium.

Bangladesh Agro Processors' Association (BAPA) and Agrobased Industries and Technology Development Project (ATDP) jointly organised the

workshop. Chaired by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Yussuf Abdullah Harun, the inaugural function was addressed, among others, by Food and Agriculture Minister Begum Matia Chowdhury, acting US-AID Mission Director David Sprague, ATDP Chief of Party Dr Ronald P Black and BAPA General Secretary Majed H fund would not be a problem,

Khan The Finance Minister said there is an inexhaustible market for certain agri-products like baby corn, mushroom,

Similarly, if some other agri-products can be developed and entrepreneurs added in the sector, Bangladesh will be able to tap the world market, he

prawn - which are very expen-

sive in the international mar-

"But, it is very important to increase the productivity and hence we need technology development.

Kibria said the government has given priority to the agrobased sector and already taken various steps to give a thrust to sector

the sector. At the same time, he wanted to know what the entrepreneurs have done by this time. "The international market opportunity will not wait for us for an tor. indefinite period," he added.

About fund constraint, he assured of providing fund from Bangladesh Krishi Bank. "I am sure, if there is a good project,

he asserted.

Karma Sangsthan Bank, expected to be launched in next month, will come forward in this regard, he said and hoped that other financial institutions will also come forward.

Expressing his desire to continue support in favour of adequate incentives for export, he raised a question about the outcome of various incentives given to the entrepreneurs time to time. "Where we exempted duty, those sector did not grew," the Finance Minister said.

Kibria urged the researchers, agro-processors, funding agencies and entrepreneurs to maintain close contact with each other for the development of the

Food and Agriculture Minister Begum Matia Chowdhury said the present government has taken up effective initia tives for development of the sec-

As a result, export earnings from this sector rose to US dollar 24 million in 1997-98 against 14 million US dollars in 1995-96 fiscal, she informed. "We should not depend only

### Indian rupee steady, Pak unit down

BOMBAY, Aug 5: The Indian rupee was steady at 42.47/48 per dollar in noon trade and premiums on the dollar were down on receiving by local banks. dealers said, reports Reuter.

The rupee firmed in opening deals on inter-bank dollar sales after it opened steady around Tuesday's close of 42.50/52. they said

"There seems to be strong corporate selling interest in the market, since many of the local banks are receiving (selling dollars in swap market)," said a dealer with a local foreign ex-

change booking firm. The six months forward premium on the dollar was down to an annualised 6.94 per cent from the previous close of 7.44 premium for March dollars was down to 2.07/2.12 rupees against 2.17/2.21 on Tues-

Dealers said the selling was probably in auticipation of a firmer tupee after the State Bank of India's resurgent bond

issue this month. The bond, targeted at expatriate Indians, is being launched overseas today and the SBI chairman has indicated a response of around 3.5 billion L dollars.

Another report from Karachi says: The Pakistani rupee opened 0.30 paise down at 56.50 rupees to the dollar in the kerb market here and dealers said the rupee was likely to fall further before the close of trade.

#### 7,000 businesses fail in 7 months in Thailand

BANGKOK, Aug 5: Nearly 7,000 businesses have failed in Thailand during the first seven months of 1998 as the country's economic crisis intensified, the Commerce Ministry said

Wednesday, reports AP. Worst hit were retail outlets. hotels and restaurants.

The Ministry's Department of Commercial Registration said 6,377 business failed from January to the end of July. The total capital of the companies closed down equaled 16.34 biltion baht (\$398 million).

The department said 477 retail stores, hotels and restaurants went bust, while 193 insurance, financial and other service sector companies failed and 175 construction compa-

#### Wine tourism booming in Australia

on the garments sector to pro-

vide employment to the coun-

try's huge population but to find

out new areas," she said adding

that agro-based industries can

solve the unemployment prob-

minister alleged that en-

trepreneurs maintain "their

product quality very good until

they get market. "Once they get

market, the quality gradually

She called upon the en-

Acting USAID Mission Di-

trepreneurs to be conscious

about the quality of their pro-

rector David Sprague said the

market of agro-product is ex-

panding. Bangladesh can take

the advantage as the market of

agro-products have immense

country are eager to know about

the sector. ATDP can provide

technical assistance to the

will help reduce migration from

rural areas to urban areas.

agro-producers, he added.

Sprague said farmers in the

Development of this sector

deteriorates.

potentials.

Sprague opined.

About quality of product, the

ADELAIDE, Aug 5: South Australia is ready for major growth in wine tourism that could inject millions of dollars into the local economy and create hundreds of new jobs over the next five years, a tour operator said Wednesday, reports AP.

Encounter Australia managing director Francis Won said wine tourism in Australia is estimated to be worth about 240 million US dollars (400 million Australian dollars) annually

About 400,000 international tourists currently visited the nation's wineries. Wine tourism will also be given a major boost with the international focus on Australia created by the Sydney Olympics, Wong said.

"South Australia, which enjoys a worldwide reputation and image for its wine and is the nation's major producer and exporter of wine, is poised to prosper from this spectacular growth in wine tourism." he

Encounter Australia on Wednesday launched a tourism package linking the state's wine regions which will be aimed at corporate travelers from Asia. Europe and the United States.

# Myanmar speeds up efforts

speeding up its efforts in the development of local private banks whose business is gaining momentum despite the impact of the Asian Financial crisis which has been plaguing the

were 21 local private banks in Myanmar with 64 branches in 18 major cities in addition to

Among them. Yoma Bank, May Flower Bank and Asia Wealth Bank are the three leading private financial institutions with Yoma Bank witnessing the opening of 17 branches across the country within three

Of the 21 private banks, seven are allowed to carry out foreign exchange transactions

With the interest rates rising from 12 per cent to 16 per cent. people had bank deposits totalling 101.35 billion kyats (337 million US dollars) at the end of 1997 of which 38 per cent

previous year.

lishment of private banks and foreign bank representative offices as the first phase of its financial reform, to be followed by granting Myanmar foreign joint venture banks as the second phase and setting up of exclusive foreign branch banks as the third phase.

The country's financial reform has now entered the second phase after memorandums

dia's Global Commercial Bank.

#### **Exchange Rates**

the Taka to clients.

American Express Bank Ltd foreign exchange rates (indicative) against

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT 8 OD
USD	47.3050	46.9100	47.3450	46.7570	46.6850
GBP	77.7836	76.6181	77.8494	76.3682	76.2506
DEM	26.8275	26.4490	26.8502	26.3628	26.3222
JPY	0.3297	0.3245	0.3299	0.3235	0.3230
FRF SAR	8.0601 12.6464	7.8314 12.4734	8.0670 12.6571	7.8058 12.4327	7.7938 12.4136
AED	12.9146	12.7366	12.9256	12.6950	12.6755
KWD	159.3297	147.9344	159.4645	147.4519	147 2049
QAR	13.0317	12.8485	13.0427	12.8066	12 /609

" Days TT Doc 30 Days 60Days 90 Days 120 Days 46.8112 | 46.5191 | 46.1282 | 45.7373 | 45.3463 41 5645 US dollar London Interbank Offered Rate (LIBOR) as of August 05, 1998 6 9 Months 12 Months Buying | Selling | Currency

Month | Months | Months 5.65625 5.6875 5.75 Cash 46.6850 47.3050 USD TC 46.6850 47.3050 GBP 7.625 7.75 Exchange rates of some Asian currencies against US dollars Malaysian Thai Baht Indian Rupee Pak Rupee Indonesian Ringgit Rupiah

12011 12125/ 4.135/ 42,472/ 53.500/ 40.900/ 4.145 41.000 42.482 Amex notes on Wednesday's market

The local foreign exchange market was at moderate level on Wednesday. Sales volume of USD against BDT remained erralic. Despite a sudden rise in sales volume, because of a rise in forward sales of USD, the exchange rate of USD/BDT was not affected very much. USD/BDT traded mostly within a range of 46.9600 to 46.9900.

Call money market was active on Wednesday. Payments for government accepted T-bills worth Tk 408.5 crores were made today as opposed to maturity of T-bills worth Tk 413 crores today. So the effect on the liquidity of the market was minimal. The call rates opened at 9% in the morning then came down to even 6.50% after the first clearing house. Average call rates ranged between 7.50% and 8.00%.

In the Tokyo market on Wednesday, US dollar lost nearly one yen against the Japanese yen in late Tokyo trade compared with the New York closing level at 143.85/95 yen on Tuesday.

Continuing concern over US stocks kept the pressure on the US currency as fund operators continued to liquidate their US dollar positions against yen after overnight dive in the Wall Street. Concerns over possible dollar selling intervention in line with Prime

Minister Keizo Obuchi's policy speech on Friday also prompted dollar sales against the yen.

Uncertainty over US stock market put the Japanese investors in a defensive role for bidding for the dollars.

In morning Europe on Wednesday, dollar was lower against the majors amid concern about tumbling in Waill Street lingered and dominated the business. The market moving factor on Wednesday was Dow's performance and further developments on Japan's tax reform plans. Dow Jones Industrial Average had fallen by 3.41 per cent at 8487.31, and

market was predicting that if Dow falls further and breaks 8000 then dollar may slide even further against the majors. The Dow fell in view of concern that corporate profit in US will remain weak in the second half of the year, and also hurt by Asian economic turmoil and a slowing domestic economy. The yen received continued support as the market eyed developments on tax cuts in Japan. Finance Minister Miyazawa said on Wednesday, that Obuchi will tell parliament about tax cuts which would substantially be over six trillion ven. Dollar /mark was range bound, with market expectations that Bundesbank

would raise the rate slightly. Sterling was up against the dollar and mark as UK June production data

was better than expected market. At 1900 local time in the international market the USD traded at 1,7696/01 DEM, 143.92/02 JPY, 5.9320/40 FRF, 1.4873/83 CHF, and GBP at

1.6375/82 USD. The following are the Janata Bank's 0.3245 0.3231 0.3223 30.8515 30.7222 30.6468 dealing rate (BD Tk for one unit of S Franc 31.4007 31.2692 31.1924 Foreign Currency) to public as Selling

T.T.& O.D. B.C. Name of Buying Currency Name of TT Clean OD Sight OD 47.3104 47.3488 US Dollar Export 77.8033 77.7378 GB Pound 26.8804 26.8578 D Mark 46.9500 46.7585 46.6437 8.0165 8.0098 Fr Franc GB Pou. 76.5835 76.2627 76.0754 0.3319 31.3833 D Mark 26.4262 26.3155 26.2509 31.3569 C.Dollar FR Franc 7.8820 7.8489 7.8297 31.9529 31,9261 S. Franc

#### bank rescue plan, which critics claim only serves to pay off bad debts for bankers, - AP/UNB photo corporations and millionaires, Malaysia won't seek outside help for economic recovery

Maria Elena Reyes symbolically crucifies herself Tuesday on a cardboard cross named for

the "Fobaproa," Mexico's \$65 billion bank bail-out programme, at the entrance of the

presidential palace in Mexico City. Protesters demanded the rejection of the proposed

KUALA LUMPUR, Aug 5: Prime Minister Mahathir Mohamad vowed yesterday that Malaysia would not seek outside help for its economic recovery as he renewed his attacks on foreigners out to recolonise the country, reports

Speaking to thousands of people during a one-day visit to southern state of Johore, Mahathir said Malaysia was going through a "second independence

He said "we fought for independence in 1957 but today, they try to recolonise us by making us poor so that they can control our economy and change the leadership as they

"This colonialisation is through the devaluation of the currency, so it is hard, for us to fight them because they are rich and we are poor"

The value of the ringgit has plunged by more than half to about 4.1 to the dollar, from 2.50 before the regional crisis cession, experts say.

had not "managed such a difficult problem before" in his 17 years of leadership and described the government burden as "extremely heavy."

be "intimidated" by foreign parties whose intention was to topple the government. "For them, if there is chaos

in our country, then was would not be able to compete with them but thank god, it is not happening and it will not happen if we are all responsible and united," he said. "If we are not able to ward off

their attack by being united and maintain racial harmony, then everyone will suffer," he warned. Mahathir said Malaysia's

robust growth in the past decade was through "our own hard work" but all these would evaporate if the government sought help from the International Monetary Fund.

"They will want to take over our banks and we can then no

longer continue with our new

need to ask for help. We are fortunate that this country is peaceful and there are no riots. We do not have high debts, we can still stand on our own feet." He appealed to people not to Drawing a comparison with

troubles in Indonesia following IMF tutelage, has said Malaysia can be proud that it was able to hold its own but "we must remember that if we are not careful, we may have the same fate."

The prime minister also slammed "currency traders and their banks for causing the devaluation of our currency and halt credit to us and said the recent downgrading of Malaysia's sovereign credit ratings were attempts to destroy our economy.

"They know we need to borrow for foreign funds to recapitalise our banks, so they lowered our credit ratings by three notches," he said. "The interest on our loan grew hundred-fold and we have to call off our bond

Mahathir appealed to the people to buy local goods and

# of dooming

KATHMANDU, Aug 5: The Nepalese government has been accused of killing a multi-billion dollar hydro-electric project, that had been seen as an economic saviour for the im-

Bahadur Deuba said a discouraging letter to US power giant Enron Corp had doomed the 6.8 billion dollar Karnali-Chisapani project which, one analyst had said, could boost gross

Apart from generating 10.800 megawatts of electricity. the Karnali project would irrigate 190,000 hectares (469,300 acres) of farmland in Nepal and 3.2 hectares in India in winter when the flow of the Himalayan

20,000 megawatt hours of elecbillion rupees annually.

plus electricity.

#### Ex-PM accuses Nepalese govt \$6.8m project

poverished country, says AFP. Former Prime Minister Sher national product by 43 per cent.

rivers decrease It was expected to generate

tricity a year which would boost national coffers by at least 100 India and China were both

seen as potential buyers of sur-But Deuba told the House of

Representatives on Tuesday that the letter to Enron had dashed hopes of the scheme coming on line in 2010.

#### keep their money in local economic policy because banks erupted in July last year. The will focus on making money. economy is on the verge of renot to help people," he said. "But thank god, we do not "Thank god, in Malaysia, we Mahathir admitted that he are still calm," he said S Arabia tightens belt to tackle plunge in oil revenues cial analyst Beshr Bakheet "The government reacted DUBAI, Aug 5: Saudi Arabia, maintenance budgets, a western very quickly and in a way that diplomat told AFP. the world's largest oil producer, The government is loath to The decree orders all un- seems suitable given the situais slashing costs and seeking approach the international tion," the financial analyst new financing to compensate signed contracts which were incapital markets itself, instead for low oil revenues, as oil cluded in this year's budget to be The government has also prices remain at a painfully low abandoned, an end to nearly all stepped up its payments to suprecruitment in the public sector level, reports AFP.

But spending cuts and delays

have mainly affected foreign suppliers, limiting the impact of the plunge in oil prices on the local economy, economists say. The price of Saudi Arabia's crude fell to an average of between 11 and 12 dollars a barrel

this year, compared to 18 dol-

in the government's payments

lars last year. This drop, combined with a lower output following OPEC agreements in March and June to cut production, "should lower revenues by about 18 billion dollars" this year, a financial analyst in Riyadh said.

To compensate for this fall, public spending has been slashed and the government is considering ways to increase

revenue. A secret decree issued on May 18 to government departments sets out a 10 per cent reduction in their operating and

and a suspension of vehicle and furniture purchases.

Government departments are now renegotiating their contracts, even for hospital medical supplies and are asking for a 10 per cent price reduction, Saudi American banks' chief economist Kevin Taecker said. The cuts could save between

year a financial analyst estimated. These spending cuts have already hit US arms firms and arms contracts not included in the state budget. This includes the Al-Yamama arms deal with

2.7 and four billion dollars this

Britain signed in the 1980s, Taecker said. "The priority for reducing spending falls more on foreign suppliers than local suppliers," the economist said. But he added that "it's basically a good programme" for the local econ-

omy.

pliers and contractors with treasury bonds which can be traded through local banks. "We saw about 1.5 billion dollars in sales of these bonds

so far this year," Taecker said.

The government is having to borrow money from the banks to fund these bonds. This borrowing is pushing up the government's debt, which stood at 79 per cent of GDP in

1997 and is expected to rise to

100 per cent of GDP this year,

the analyst said. But even if this added debt increases budgetary pressures it is not affecting banking liquidity because 80 per cent of the debt is owed to the state's pension fund, Taecker said.

Six out of nine Saudi banks

recorded higher second quarter

profits this year, two remained

unchanged and only one, which

is being restructured, an-

nounced lower profits, finan-

encouraging companies like Saudi Aramco into interna-

tional loan deals. Aramco is seeking a two billion dollars syndicated loan from international investment

banks, according to a July re-

port in the specialist Middle-

East Economic Survey published in Cyprus. The government's treasury department is also looking to boost its revenue. An airport tax has already been agreed on. Taecker said, although Gulf travel agencies say it has yet to

be implemented. There is also talk of a rise in domestic petrol prices as well as a hike in water and electricity fees, economists in Riyadh say.

The International Monetary Fund in 1995 encouraged Saudi Arabia to raise the price of public utilities and services and introduce a sales tax, although no formal decision on these matters has been announced.

#### to develop private banks were in private banks, an in-crease of 13 per cent over the YANGON, Aug 5: Myanmar is

region for over a year, reports Xinhua.

Up to the end of 1997 there six state-owned banks.

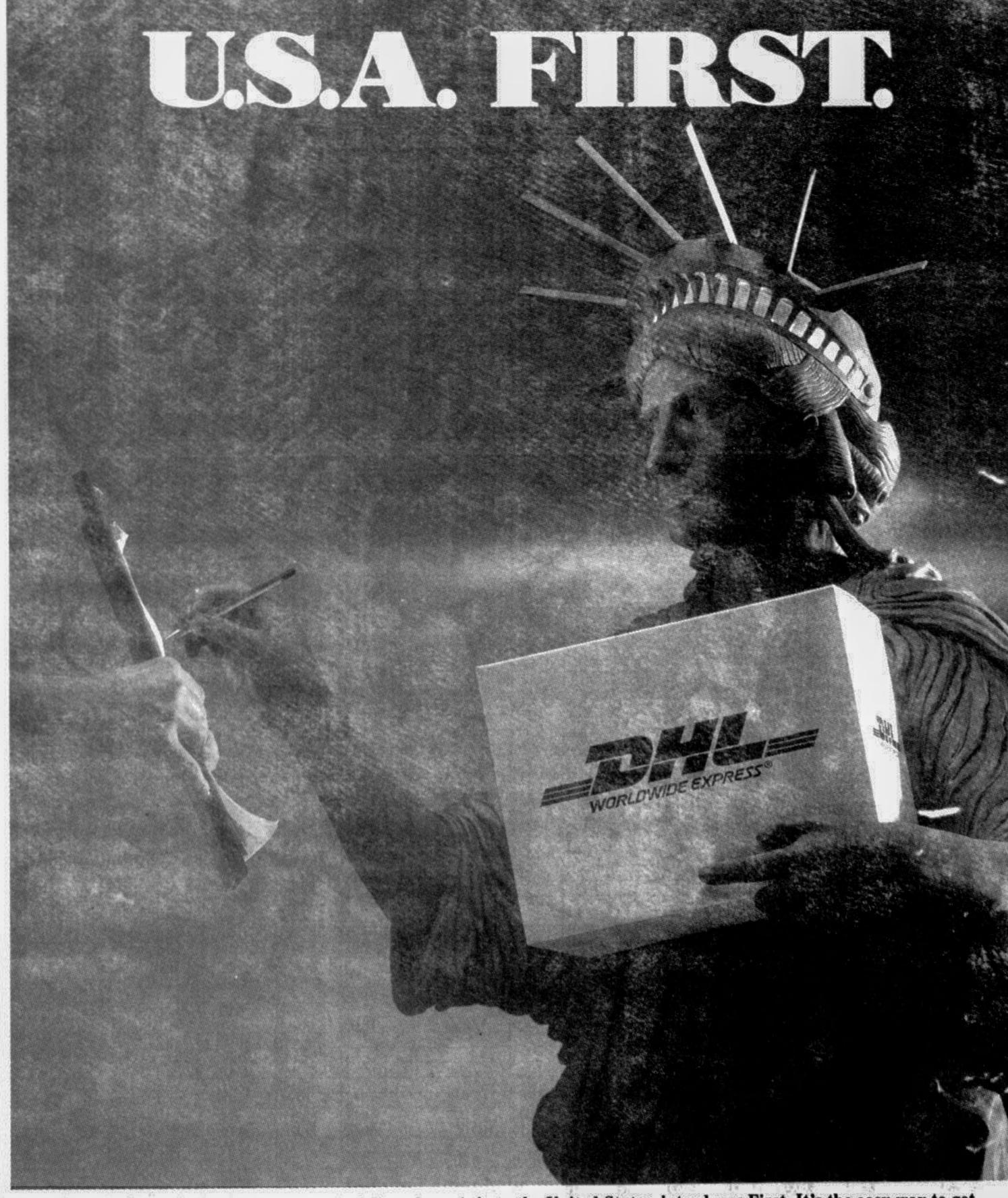
months.

in the wake of the country's expanding foreign trade activiIn order to strengthen the

ties between private banks, six of them reached an accord in June 1997 on internal remittances among them. Myanmar allowed the estab-

of understanding (MOUs) were signed respectively between six Myanmar private banks and six foreign banks, which have already opened representative offices in Myanmar, on joint

venture banks. The six foreign banks are Japan's Fuji Bank, Thailand's Farmers' Bank and Siam City Bank, Malaysia's May Bank and Public Bank, and Cambo-



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