

**Flood takes its toll on garment industry output**

**Star Business Report**  
Production of readymade garments and knitwear has fallen by 25 per cent in the city due to poor attendance of workers, most of whom have become victims of the country-wide flood.  
The workers — most of whom are females and live in suburban areas — have been confined to their slum houses that are not protected by cross-dams, BGMEA sources said.  
"I am losing 12,000 pieces of garment items a day because of poor attendance of the labourers," said BGMEA vice president Nurul Huq Sikder. His garment produces 50,000 pieces of items a day. Sikder said that the poor labourers did not have enough money to hire boats to their workplaces.  
He said that many of his colleagues had been forced to shut down some of their production lines. "We can do nothing but to wait until flood-water recedes," he said.  
Manufacturers are fearing an out-break of diarrhoea, which may force them to close down factories temporarily.

**11 S dists may produce 4 lakh bales of jute this season**

**BARISAL, Aug 9:** A total of 3,61,339 bales of raw jute is expected to be produced here in eleven southern districts under Barisal Agriculture Extension Zone (BAEZ) in the current season, reports BSS.  
The districts are: Barisal, Jhalakati, Bhola, Patuakhali, Barguna, Faridpur, Madipur, Gopalganj, Rajbari, Shariatpur and Pirojpur.  
According to an official source, a total of 63,143 hectares were brought under jute cultivation in the districts in this year.  
Of the total, 58,468 hectares were brought under tosha variety of jute while 4,675 hectares under local variety of jute this year in the region.  
Highest production is expected in Faridpur district while lowest in the Barguna district, the source added.  
Bangladesh Agriculture Development Corporation (BADC) sold seeds, fertilizers and other necessary inputs to the farmers of the districts for the successful implementation of the programme, the source said.



**New corporate finance chief of Grindlays Bank**

**Star Business Report**  
Abrar A Anwar has been appointed head of the Corporate Finance Unit (CFU) within corporate banking of ANZ Grindlays Bank Limited, Bangladesh, says a press release issued in the city yesterday.  
CFU delivers ANZ's project financing, syndications, international structured finance, corporate finance and capital markets products and services to the market.  
Since joining ANZ in 1991, Abrar has been in various segment head's position within corporate banking and worked extensively in ANZ Investment Bank, Mumbai and London during '97-'98 to deliver specialised financial solutions to the bank's clientele.  
Abrar replaces Ramawdeep Singh, who had earlier been seconded to Bangladesh from ANZ Investment Bank, India.

**Philippine budget deficit may hit \$2.4 b in '98**

**MANILA, Aug 9:** The Philippines could suffer a budget deficit of 100 billion pesos (2.4 billion dollars) in 1998, much higher than originally estimated, the presidential palace said yesterday, reports AFP.  
A palace statement quoted Economic Planning Secretary Felipe Medalla as saying that this would be a shaper increase over the 70-billion-peso deficit earlier projected for this period.  
Medalla blamed high spending by the previous administration of former President Fidel Ramos and poor collection by the Bureau of Customs and Internal Revenue for the higher-than-expected deficit.

**Financial markets remain spooky Asian currencies bracing for a bumpy ride**

**SINGAPORE, Aug 9:** Asian currencies are bracing for a bumpy ride against the US dollar as financial markets remain spooked by threats of a break in the Hong Kong dollar peg and a devaluation of the Chinese yuan, reports AFP.  
The caution in regional units will be heightened as market players eye Japan hoping for further direction to trade, following an uninspiring policy speech by Japanese Prime Minister Keizo Obuchi last Friday.  
Most Asian currencies plunged in tandem with the yen last week, as negative regional sentiment was aggravated by a 299-point drop on Wall Street mid-week, fanning fears that an economic slowdown in the United States would make it more difficult for Asia to revive its economies.  
But throughout most of trade, devaluation fears in China and Hong Kong dominated. A second round of currency turmoil in Asia will ensue if such devaluations occur.

analysts have said.  
The speculation on the yuan and Hong Kong dollar also weakened sentiment in regional stock markets, which reflected the currencies' falls.  
"The (Hong Kong) peg to the US dollar will, in due course, go as Hong Kong falls victim to a retail panic," said Christopher Wood, global emerging markets strategist of Santander Investment Securities Asia.  
It remained to be seen whether the peg would break by year's end, or by July 1999, when Hong Kong marks the second anniversary of its hand over to China, he said.  
Other analysts said they expected the yen to test 147 against the dollar this week, although fears the central bank may intervene could put further speculation. The yen ended trade here at 145.46.  
China vowed Friday to resist growing pressure to devalue the yuan amid a slowdown of the economy and a tightening squeeze on the country's ex-

porters.  
The central People's Bank of China also categorically denied rumours the bank's governor was in favour of a small devaluation.  
China has consistently said it will keep the yuan stable at its exchange rate of around 8.3 to the dollar, despite its export growth slowing as a result of the rapid depreciation of other East Asian currencies which made the products of rival exporting nations cheaper.  
Yet another Southeast Asian currency, the Vietnamese dong succumbed last Friday to an effective devaluation of seven per cent, with the official rate now at 12,998 to the dollar, in a bid to boost its sagging exports and plug a trade deficit.  
Bankers welcomed the devaluation but warned that pressure on the dong will remain.  
"Dollar demand is still considerable and the underlying pressures on the exchange rate remain due to domestic and international factors," said Stewart Hall, head of Vietnam Treas-

ury Operations at Standard Chartered Bank in Hanoi.  
Among the currencies badly affected by the compounded negative factors in the region was the peso, which fell by 3.5 per cent over the week to end Friday at 43.49 to the dollar in the Philippine dealing system.  
"It's the general sentiment that all currencies in the region will weaken due to threats of devaluation from the Hong Kong dollar and the Chinese yuan," said Myenne Katimbang, research chief of Magnum International Securities Inc. in Manila. The Thai bath suffered as well, falling by 2.4 per cent over the week to end Friday at 41.95.  
The South Korean won plunged by 8.1 per cent to end at 1,326 to the dollar but the weakening was welcomed by exporters, following the won's sudden rise to 1,200 levels in the past few weeks.  
The Indonesian rupiah rose, however, by 2.1 per cent to end the week at 12,825.



A memorandum of understanding (MOU) was signed between Small and Medium Industries Development Organisation (SMIDO) with Andhra Pradesh Industrial and Technical Consultancy Organisation Ltd in India recently. SMIDO Bangladesh sealed a total of 12 MOUs with Indian public and private organisations. — SMIDO photo

**SMIDO signs 12 MOUs to boost trade with India**

**Star Business Report**  
Bangladesh-based Small and Medium Industries Development Organisation (SMIDO) has signed twelve memorandum of understandings (MOUs) with different Indian trade and industrial organisations to boost private sector trade cooperation in computer software, food processing, engineering and pharmaceutical sectors.  
SMIDO signed 5 MOUs with Indian government organisations and 7 others with private companies at a meeting of South Asia Technological and Economic Cooperation exchange organised by the World Association for Small and Medium Enterprises. The meeting, held in New Delhi during July 27 to 30, was attended by 210 representatives from the seven member states.  
The MOUs, according to a SMIDO press release, would help open new avenues of private sector cooperation between Bangladeshi and Indian entrepreneurs in the computer software, processed foods, pharmaceuticals and engineering sectors.

The SAARC Secretariat, Department of Small-scale Industries, Agro and Rural Industries, and Ministry of Food Processing Industries Government of India, assisted the entrepreneurs of the both countries to seal the agreements, added the press release.

**Agrani rated top performing bank in Bangladesh**

**Star Business Report**  
Agrani Bank has been ranked number one bank in Bangladesh by The Reed Business Information, a UK-based publishing company, in its 1998 edition on the Bankers' Almanac.  
Reed Business Information classified more than 4,500 banks of the world on the basis of their efficiency and financial conditions.

**River erosion threatens Chilmari port**

**KURIGRAM, Aug 9:** Once a thriving business centre, the river port at Chilmari is now faced with serious set back due to various problems including river erosion, reports UNB.  
The port, situated at the confluence of the rivers Brahmaputra and Teesta, has become almost desolate as the projects aimed at protecting it from the erosion could not be implemented because of negligence of the authorities.  
Once the port used to be a very important business centre, as river communication had been the main mode of transport in the country. It was also an attractive tourist spot in the past, said the people of the locality.  
But, with the growing importance of the road and rail communication since the Pakistan era, the river port started losing its importance.  
Besides, the continuous river

erosion threatened existence of the port as its many parts were devoured during the last few decades.  
Elderly people and official sources said, a vast tract of crop lands near the port has already been devoured by the two mighty rivers.  
Besides, they said, many government buildings, educational institutions, houses, railway station, business establishments, bridges, godowns and mosques have been washed away by the rivers over the years.  
The river erosion here is continuous and a document of the Flood Action Plan-22 said that the Brahmaputra erodes a vast land every year.  
The river is now moving westwards threatening the existence of the river port as no effective measures have been taken so far to protect it.  
The erosion has even threat-

ened the flood control embankment and regulators of the Water Development Board at Chilmari and Bamni.  
Under the flood Action Plan, a model study was undertaken by the WDB authorities in which it was suggested that seven groynes and 1,200 metres of protection embankment should be constructed at Boirghat and Chilmari areas to protect the port.  
The work will cost over Tk 79 crore, said the proposal. But, no allocation was made so far for the work in the Annual Development Programmes for the fiscal 1998-99.  
Local people fear that the port might be devoured completely by the rivers if measures were not taken immediately.  
They have urged the authorities to allocate funds for the protection work of Chilmari port.

**Crisis-crushed Asia phasing in banking reforms**

**SINGAPORE, Aug 9:** Turmoil-wracked Asian economies are phasing in banking reforms seen as critical for regional recovery but they face an uphill battle to restore battered balance sheet and win back valued customers, reports AFP.  
At the core of the reforms are recapitalising banks through mergers and acquisitions, closing down insolvent banks and removing systemic weakness in the financial system.  
Asia's banking crisis stemmed from rapid regional currency declines against the US dollar since July last year exposing the region's high private sector borrowing, much of which was short-term and foreign-exchange-based.  
"The financial sector rehabilitation progress has started and although we have a long way to go before it actually produces enough positives to turn the whole things around, the fact is that the appropriate agencies have been set up, the

road map has been laid out," said Manu Bhaskaran, head of Asian Research at SG Securities.  
He said the worst of the Asian banking crisis was not over, of recasting non-performing loan (NPL) ratios to peak around the middle of next year, "the pain will get worse before it gets better," he said.  
But what was encouraging was that the three International Monetary Fund pupils — Thailand, Indonesia and South Korea — as well as Malaysia had begun with banking sector restructuring plans, he said.  
Vincent Low, fixed income strategist at Merrill Lynch in Singapore, said based on large losses in the first half of 1998 reported by many Asian banks, prospects for recapitalisation from internal resources have dimmed.  
Recapitalisation has been estimated by analysts to hit as much as 70 billion US dollars. This also means that now

more than ever, capitalisation needs to come from foreign sources and also along with this a caring out of the NPL away from the banks' books form possible some degree of government financial looks necessary," Low said.  
Indonesia, which has closed down seven banks, last week declared insolvent four of the six private banks taken over by the Indonesian bank restructuring agency in April.  
Negotiations are underway with buyers interested in acquiring some of these banks whose NPLs will first be transferred to Ibra's asset management arm, an agreement for at least one of these sales should be completed by August 21.  
Abn Amro Bank of the Netherlands is said to be interested in acquiring Bank Danamon.  
A merger is also to be unveiled this month between two of the country's seven state bank, Bank Bumid Daya and

**Exchange Rates**

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

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	47.3050	46.9100	47.3450	46.7570	46.6850
GBP	77.4052	76.0786	78.4706	75.8305	75.7137
DEM	26.6883	26.2434	26.7109	26.1578	26.1175
JPY	0.3252	0.3193	0.3255	0.3183	0.3178
FRF	8.0178	7.7859	8.0246	7.7605	7.7485
SAR	12.6467	12.4737	12.6574	12.6950	12.6755
MYR	11.5238	11.3859	11.5335	11.3487	11.3313
AED	12.9150	12.7366	12.9259	12.6950	12.6755
KWD	159.3834	148.0278	159.5182	147.5480	147.3472
QAR	13.0317	12.8485	13.0427	12.8066	12.7869

USD usage 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	44.9554

US dollar London Interbank Offered Rate (LIBOR) as of August 9, 1998

Currency	1 Month	3 Months	6 Months	9 Months	12 Months
Cash	4.6650	4.7305	4.8025	4.8750	4.9475
TC	4.6650	4.7305	4.8025	4.8750	4.9475

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.580/42.680	53.950/54.250	43.03/43.13	4.19/4.22	12150/12350	1315/1355

Amex notes on Sunday's market  
The USD/BDT market remains solid, although the exchange rate picked up a little through the efforts of the market makers.  
The Trading opened at 46.9650 and closed at 46.99. But the market remains flooded with USD, so it is unlikely that there will be any dramatic change in USD/BDT market rates.  
The call money rates opened around 7.25% and slowly rose to 8.25%. Most of the lending was around 7.5%.  
In international market on Friday, USD rose against the major currencies amid continuing signs of weakness in Japan and its Asian neighbours and strong US job data.  
The Greenback hit a two-month high at 146.25 yen and stood near spitting distance of its eight-year high at 146.75 which was reached on June 16, 1998.  
The dollar ended at 146.11/12 yen, up from 145.60/70 at the open and 144.22/23 at Thursday close.  
USD was lifted against the European currencies as US stock markets continued to recover from sharp losses experienced earlier this month.  
The Dow Jones Industrial Average ended up 20 points at 8598. The Nasdaq composite index rallied nearly one per cent. The dollar rose to 1.7795/05 DEM, as against 1.7722/25 DEM at the open. USD/CHF rose to 1.4955/60 from 1.4892/02 at the open. The Great Britain pound slipped to \$ 1.6288/93 from \$ 1.6360/70 at the open.  
In New York the majors closed on Friday against the USD at 1.7900/10 DEM, 136.55/65 JPY, 5.9985/15 FRF, 1.4965/75 CHF and GBP at 1.6720/30 USD.

The following are the Sonall Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 9th August '98

Currency	Buying	Selling
S Franc	31.2288	31.1005
JP Yen	0.3179	0.3166

US Dollar 47.3096 47.3492  
GB Pound 77.2742 77.3389  
D Mark 26.7188 26.7412  
F Franc 7.9775 7.9842  
C Dollar 31.2493 31.2757  
S Franc 31.7928 31.8194  
JP Yen 0.3269 0.3372



General Manger of Dhaka Sheraton hotel San Amalan accords a reception to the newly-appointed Country Representative of UNICEF in Bangladesh, Shahida Azfar, on Sunday. — Sheraton photo

**Tk 136cr German grant for Bangladesh**

Bangladesh will receive an amount of DM 51.50 million (approximately Taka 136 crore) as grant from the Federal Republic of Germany under bilateral development cooperation framework, reports BSS.  
A financial cooperation agreement and notes of exchange to this effect have been signed between the two countries at the Economic Relations Division (ERD) here yesterday.  
ERD Secretary Dr AKM Mashur Rahman and German Ambassador to Bangladesh UWE Scamm signed the agreement and notes of exchange on behalf of their respective governments.  
Of the total grant, DM 50 million (approximately Taka 130 crore) is under the financial cooperation for four projects — procurement of six line locomotives (Bangladesh Railway), construction of primary school cum cyclone shelter, health and population sector programme and construction of Hatubanga bridge over the river Bangshi in Tangail.  
The remaining DM 1.50 million has been earmarked for studies for appraisal of projects under different sectors — health, energy, railway.  
The German government has so far provided DM 3.5 billion (approximately Taka 9211 crore) as grant to Bangladesh under bilateral development cooperation framework.

**Bitopi celebrates 63rd anniversary of Leo Burnett**

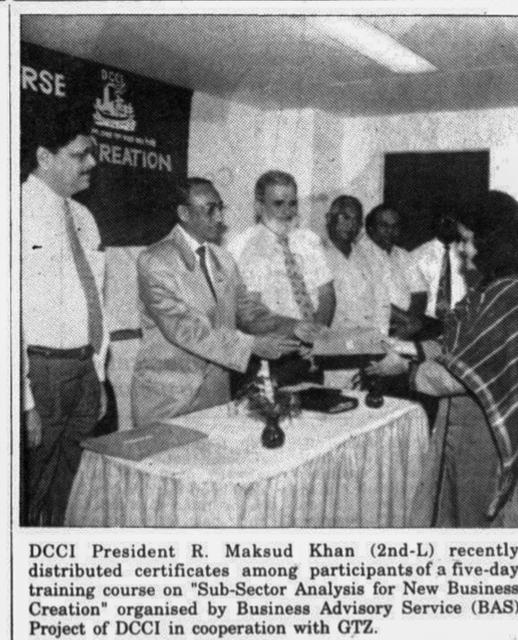
**Star Business Report**  
To commemorate the Leo Burnett Company's 63rd anniversary, Bitopi Advertising Ltd took part in the agency network's annual celebration, says a press release issued yesterday.  
"This is a day when we celebrate as part of one of the world's largest and most awarded agency networks" said Reza Ali, Managing Director.  
Bitopi joined the Burnett Family in 1996 inheriting its rich corporate culture, which they blended with their local perspective to create a strong office here in Bangladesh.  
Leo Burnett also enjoys its third year as the third most awarded agency in the world. In the past 12 months, Burnett received 1,000 awards worldwide including 10 Lions at this year's International Advertising Festival at Cannes.  
Moreover Leo Burnett offices were named 'Agency of the Year' in Bangkok, Brisbane, Caracas, Oslo and Toronto.  
Leo Burnett first opened its doors on August 5, 1935 in Chicago with three clients and eight employees. Billings that first year were \$ 600,000. Today, Burnett has approximately 8,100 employees worldwide and more than US \$ 5.98 billion in billings.  
Over the past 63 years, Burnett has produced some of the industry's most enduring advertising campaigns that have helped build 607 of the world's leading brands. The network currently handles five of the seven most valuable global brands as ranked by the financial world: Coca-Cola, Kellogg, Malboro, McDonald's and Walt Disney. Since the beginning of 1997, Burnett has won multinational assignments from Motorola, Eli Lilly, GD Searle and Tambrands.

**Shehnaï celebrates 3rd anniversary**

**Star Business Report**  
Shehnaï, an exclusive Indian cuisine restaurant, is celebrating its third anniversary, says a press release issued yesterday.  
The anniversary celebration sponsored by Pepsi started yesterday and will run till the 11th of this month. To mark the occasion, Shehnaï offers 20 per cent discount on all food/buffet. Pepsi is celebrating this gala occasion by offering welcome drink and giving away exciting gifts every night.

**Course on selling skills held**

**Star Business Report**  
A two-day intensive programme on developing selling skills organised by Quality Institute of America for Olympic Industries Limited was held in the city yesterday, says a press release.  
Speaking in the concluding session, Mubarak Ali, Managing Director of Olympic Industries Limited, underscored the need for developing the selling skills of the company's field force so as to effectively compete in the market as able professionals and for providing quality service to the customers.  
He said that this was a competitive world and the survival of a company depended greatly on the environment of professional skills.  
The concluding session was also addressed by Wazir Alam, EVP, Quality Institute of America, KD Ghoshal, MM-OIL and Zafor Siddiqui, SM-OIL.



DCCI President R. Maksud Khan (2nd-L) recently distributed certificates among participants of a five-day training course on "Sub-Sector Analysis for New Business Creation" organised by Business Advisory Service (BAS) Project of DCCI in cooperation with GTZ. — DCCI photo