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DHAKA WEDNESDAY, AUGUST 19, 1998

Thrust on boosting Dhaka-Ottawa trade link

Canadian High Commissioner to Bangladesh Nicholas Ethridge called on Commerce and Industries Minister Tofiq Ahmed at his office in Dhaka yesterday, reports UNB.

The exchanged views on ways and means to strengthen cooperation among the WTO member countries for better integration of global trade.

Both the countries are the active members of the WTO, the commerce minister said, adding that Bangladesh was playing the role of a coordinator and spokesman of LDCs in various trade negotiations, including the ones of WTO.

He requested the Canadian diplomat to support LDCs' plea to allow their products without duty in the markets of developed and developing countries.

They also discussed the present volume of bilateral trade between Bangladesh and Canada and stressed the need for further increase of trade link.

NSU holds seminar on stock market linkages

A seminar was held on 'stock market in the Southeast Asian and the Pacific Rim countries: Evidence based on daily equity indices' on Monday at the North South University, says a NSU press release issued yesterday.

The key-note speaker of the seminar was Dr Mazhar M Islam.

Dr Islam showed the result of his investigation on interrelationships among the equity markets of Hong Kong, India, Malaysia, Japan, Pakistan, Singapore, Sri Lanka, Taiwan and Thailand using daily equity indices.

He found that the above nine stock price indices have long-run equilibrium relationships and there exists bi-directional causality between these markets. His study also reveals there exists an integrated Southeast Asian and the Pacific Rim equity markets.

He said that with respect to the geographical separation, it also appears that when the Southeast Asian countries are considered as an entity and another of the Pacific Rim an another entity, they do influence each other significantly.

These findings are helpful to global portfolio managers as well as individual investors who want to reduce their portfolio risks and enhance the expected returns, he said.

Dr Islam, a visiting faculty member at NSU, is an Associate Professor of Finance at the College of Business Administration and Graduate School of International Trade and BA, Texas A&M International University, USA.

Also present in the seminar were, Dr Hafiz GA Siddiqi, Vice President, academic affairs of North South University, Dr Mohammed Musa, Director, Undergraduate Programmes, NSU, faculty members and students of NSU.

New chairman of Northern General Insurance

Hamidul Haq has recently been re-elected chairman of the Board of Directors of Northern General Insurance Co Ltd, says a press release.

Haq is the chairman of Paradise Corporation (Pvt) Limited, Director, SEMCO Fertilizer Limited, and partner, Paradise Electronics and National Export Import Company.

Some Thai plants may suspend power production

BANGKOK, Aug 18: The Electricity Generating Authority of Thailand (EGAT) may suspend the operation of some of its power plants due to excessive production capacity and the drop in national demand, the Bangkok Post reported yesterday, says Xinhua.

Plans may be necessary from 2001 through 2005 when generation capacity reserves are forecast to soar to 60-68 per cent against the normal level of only 25 per cent of the installed capacity, the newspaper quoted EGAT senior officials as saying.

Many independent and small power producers have postponed electricity sales to EGAT and many power station projects have been put off, but the remaining reserves are still considered very high.

Thailand seeks Indo-Pak help to fight US rice patent

BANGKOK, Aug 18: Imagine a joint battle by Thailand, India and Pakistan against the United States over the issue of intellectual property rights.

This may still be a dream scenario, but the Thai Foreign Ministry has plans to rope in the two South Asian nations in its efforts to get an American patent a rice variety named 'Jasmati', apparently derived from Thailand's famed Jasmine rice and the subcontinent's world famous Basmati.

According to a Foreign Ministry spokesperson in Bangkok, a joint legal effort against the grant of a patent to the Texas-based company RiceTec Inc. would be more successful than each country fighting it out alone. Thai legal experts have strongly lobbied their government to pursue the case as the patent -- if successfully revoked -- would set a precedent for protection of other locally grown plant varieties and genetic resources.

The same U.S. firm acquired a patent for a strain of Basmati rice, grown for centuries by both India and Pakistan, from the U.S. Patent and Trademark Office in September last year. The patent covers plants and grains developed from the original Basmati and also the

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DSE system faltered on August 13! Automation fails to prop up share prices

By M Shamsur Rahman

Stock prices continued to fall in the last few days since the DSE launched its automated system belying hopes that the new mechanism of trading would lead to market revival.

The DSE All Share Price Index lost as many as 64 points during the last seven trading days, settling at 596.61 points yesterday from 662.8 points on August 9. The bourse began automated trading on August 10.

Traders and market operators attributed the slide to day-netting, which allows the net transactions of all deals by a broker on a single day. The investors try to make quick profits by buying and selling at every minute, a broker explained.

Before the launch of automated trading, shares of a company used to be traded for a limited time of around 15 minutes, now it's being traded

Day	Volume	Index
10-Aug	284393	652.05
11-Aug	322933	647.29
12-Aug	439706	643.29
13-Aug	306525	637.21
16-Aug	527915	632.34
17-Aug	670589	615.51
18-Aug	1253517	596.61

throughout the day. An investor tries to make a quick gain without actually investing his money. He just buys or takes the balance amount at the end of the day," the broker said, elaborating.

This also pushed the average trade volumes to over 5.43 lakhs after automation from an average of just over two lakhs under cry-out auction.

DSE hiccups continue

Meanwhile, the DSE automation system also continued to suffer from problems. Out of the seven trading days, the system faced trouble on at least two.

The latest trouble, which escaped the attention of the media, was witnessed on August 13 when Finance Minister Shah AMS Kibria formally inaugu-

rated the DSE automation system.

"As soon as the finance minister logged into the system at 12.45 pm, trading of almost 60 per cent of the brokerage firms stopped suddenly. Many failed to get access to the system and those who managed to access failed to participate in the day's trading due to malfunctioning of the system," a leading market operator said.

Automation experts at DSE managed to fix it 2.30 pm "but failed to identify the reasons behind the failure," he said.

The officials were learned to have sent a status report on the system to Madras for diagnosis and were still awaiting a reply to know what actually had gone wrong.

The DSE also suspended the post-closing session Monday as heavy rains poured into the DSE building.



Visitors at a two-day exhibition of multi-head automatic embroidery machines organised by NAF Overseas (Pvt) Ltd, Tajima Technical Centre, at Mohakhali in the city on Monday, the opening day. —NAF photo



Rumeek Akhter Hossain (R), Executive Director of Rangs Industries Ltd, delivers his inaugural speech at a day-long training programme on Canon camera marketing strategy held at Rangs Group corporate head office in the city recently. Tiger Ishii, Marketing Manager of Canon Inc, Japan who conducted the programme is seen on his right. —Rangs photo

ILO report on sex sector in SE Asia Crisis may push more women and children into prostitution

MANILA, Aug 18: The regional economic crisis could trigger an increase in the number of women and children driven to prostitution in Southeast Asia, the International Labour Organisation said Tuesday, reports AP.

In spite of the financial woes rocking the region, the sex industry shows no signs of slowing down, according to an ILO report, entitled: 'The Sex Sector: The Economic and Social Bases of Prostitution in Southeast Asia.'

The report, edited by Lin Lean Lim and released in Manila, studies prostitution in Indonesia, Malaysia, the Philippines and Thailand and began before financial turmoil hit the region beginning in mid-1997.

Ms. Lim said during the re-

cession in the mid-1980s, surveys showed that women who lost their jobs in factories were drawn into prostitution not just to support themselves but "very importantly, because their families back in the rural areas have come to depend on their earnings."

Ms. Lim, the coordinator for the ILO programme on jobs for women, said child prostitution was a more serious problem than adult prostitution because of its lifelong and life-threatening consequences.

She said the growing number of children who stop going to school who have to work for their families because of the financial crisis is worsening the problem.

Ms. Lim said child prostitution "is a serious human rights violation and an intolerable

ADB team to visit Dhaka later this month

A seven-member delegation of Asian Development Bank (ADB) will visit Bangladesh from August 31 to September 5, official sources said here yesterday, Reports BSS.

Officials said the main purpose of the visit is to familiarise themselves with Bangladesh's economy, policy and some institution at infra-structures.

The delegation members, during their stay in Bangladesh, will call on Prime Minister Sheikh Hasina, Water Resources Minister Abdur Razzak, Finance Minister Shah A M S Kibria, Communications Minister Anwar Hossain, and Deputy Minister for Shipping Saber Hossain Chowdhury.

They will visit Grameen Bank project at Savar, LGED project at Mirpur and Bandarban, Chittagong Port, Chittagong Export Processing Zone and Bangabandhu Bridge.

Tea export earnings rise by Tk 721m

From Nurul Alam

CHITTAGONG Aug 18: Bangladesh earned from tea export an amount of Taka 2032.20 million (46.19 million US dollars) in 1997-98 fiscal, an increase of Taka 721 million compared with the previous fiscal year's.

In '96-97, tea exports fetched Tk 1311.18 million (29.80 million US dollars).

But the quantity of tea export dropped in '97-98 by one million kilograms compared with the previous year's, according to officials of the state-owned Bangladesh Tea Board.

In '97-98 fiscal, 24.45 million kgs of tea were exported, which was down from 25.49 million kgs of '96-97 fiscal, they said.

Tea officials attributed the fall in export volume to abnormal price hike in tea markets here. Local tea prices rose for global shortfall in production.

"Excess tea price forced the foreign buyers to reduce their import of tea from Bangladesh," the officials said.

Because of unusual price hike the internal tea consumption in '97-98 also decreased to 24.37 million kgs from 27.42 million kgs of the previous fis-

cal year.

In '97-98 the average export price was recorded at Tk 83.10 per kg, up from Tk 51.65 per kg a year before, they said.

Tea, second cash crop after jute, is produced by 158 gardens of the country. Most of the gardens are in Sylhet.

China's jobless rate 3.1 pc

BEIJING, Aug 18: The urban registered unemployment rate in China for 1997 was 3.1 per cent, 0.1 of a percentage point up on the previous year, Xinhua said, reports AFP.

By the end of last year there were almost 5.8 million jobless people in towns and cities who had been registered with their local governments, it said quoting a report by the Ministry of Labour and Social Security and the State Statistics Bureau.

There were also 6.343 million workers laid off from state-owned enterprises who had not found new jobs by the end of 1997, the official report added.

Asian economic crisis hits Australia hard

CANBERRA, Aug 18: The Asian economic crisis is hitting Australia hard on two major fronts, pushing its once lucrative trade with ASEAN countries into the red and badly damaging its tourist industry, says AP.

Both blows are reflected in figures the government statisticians released Tuesday.

It reported that Australia's once booming exports to member countries of the Association of South East Asian Nations have slumped over the past year.

This led statistician Bill McLennan to make a special report on the problem.

The deterioration in Australia's trade balance with ASEAN in the first six months of 1998 was particularly marked in the case of Indonesia, Malaysia and Thailand and to a lesser extent Singapore," he said.

McLennan said, for example, that Australia's trade balance with Indonesia plummeted from a surplus of 380 million US dollars (644 million Australian dollars) in the first six months of last year to a deficit of 357 million US dollars (605 million Australian dollars) in the first six months of this year.



Officials of the Bangkok Bank of Commerce gather to stage a protest rally at the bank's headquarter in Bangkok on Monday against the government package to solve banking system that forces the troubled bank to close, for which 5,000 officers lose jobs. —AP/UNB photo

E European economies seen weathering Russian storm

PRAGUE, Aug 18: East European currencies fell early after Russia announced a package of dramatic policy changes effectively devaluing the rouble but quickly recovered and analysts said the saw little chance of crisis contagion, says Reuters.

Despite severing most of the economic ties that used to bind East Europe with Moscow, many of the region's currencies have come under pressure from the crisis as investors tend to lump the countries together, shifting funds within the area.

But analysts said that while emerging market sentiment on the whole has sagged due to the Russian crisis, the economies of Eastern Europe have weaned themselves away from their former Soviet ruler sufficiently to minimise the long-term effects.

"The importance of Russia's economies, even to those on Russia's doorstep, is fairly low. This was not a change that was done because Russia was uncompetitive. This was a short-term financing problem," Geoffrey Dennis, emerging market strategist at Deutsche Morgan Grenfell told Reuters Television.

Russia said yesterday its daily rouble corridor was impractical, prompting a de facto currency devaluation.

It also banned foreigners from investing in short-term rouble instruments and declared a 90-day moratorium on repaying foreign credit.

The central bank said the

rate of the rouble would be set according to the results of daily trade on the market rather than by a pre-determined central bank buy and sell rate.

"I think they (the East European economies) are very uncorrelated. The principle trade flows at the moment between them are energy from Russia to them, which is paid for in hard currency and is priced in dollars," said Charles Blitzer of Donaldson, Lufkin and Jenrette.

Still, analysts say, most vulnerable in the short-term are currencies such as the Czech crown since it is the most freely-convertible in Eastern Europe.

But Dennis said that Monday's turmoil could be a blessing in disguise, easing appreciation pressure on some of the faster-strengthening currencies.

"The Polish zloty and the Czech crown have been super strong recently and if they came off a little bit, which happened this morning in the control way," Dennis said.

"I think the policy makers there may even welcome this. The chances of a big crisis in the zloty, the crown, or the Hungarian forint I think is pretty slim quite honestly."

The crown, zloty and forint all opened weaker on the crisis news, with only the forint falling to rebound to opening levels. The Hungarian unit was down 15-25 basis points below its open at 0.55 per cent below parity with its currency basket.

'Govt firm to expand rural electrification'

State Minister for Power, Energy and Mineral Resources, Professor Rafiqul Islam has said the present democratic government is committed to expanding the rural electrification network to the country's remote areas, says BSS.

The government has given utmost priority to rural electrification to accelerate the economic development of the country," he said while addressing the inaugural ceremony of "annual working session and target fixing meeting of Palli Bidyut Samity" at the Rural Electrification Board (REB) office here yesterday.

Chaired by the Samity's General Manager Sarwar Hossain, the function was also addressed, among others, by Energy Secretary Dr. Toufique-Elahi Chowdhury, REB Chairman Brigadier MA Malek, President, Bagerhat Palli Bidyut Samity, Biswas Mohammad Alauddin and REB member Touhidul Islam.

The minister said the government has taken various steps to encourage private investors in generation and distribution of power to bring competition in the sector.

"The economy of the country would be further strengthened if the investors from home and abroad come forward to invest in the power sector," Rafiq said adding that the government will extend all supports in this regard.

Giving a brief account on REB's programme the minister said a total of 6,10,710 subscribers were given electricity connection by repairing and constructing 20,640 kilometres power line after the government came into power.

"Five lakh 60 thousand more subscribers would be given electricity connections in 58 thanas under four new projects of the REB which was given approval by the government," he said.

Referring to the electricity crisis in the country, the minister expressed the hope that power supply would be made available to farmers in the next lean season by short term planning.

Fodder scarcity acute in Ctg

CHITTAGONG, Aug 18: Fodder scarcity has turned acute in the district hampering milk production seriously, reports UNB.

The factories have already raised the price of fodder taking advantage of the situation. Now a bag of 55-kg grade 1' wheat husk is being sold at Tk 310 as against the previous rate of Tk 260 and 37-kg grade 11' husk is being sold at Tk 210 as against Tk 160.

The main suppliers of wheat husk to the farms said price of wheat has increased in the open market due to flood situation and transportation problem compelling them to raise the price of this kind of fodder.

Proper growth of cattle in our country is being hindered due to lack of quality fodder which is the main reason behind gradual reduction in production of milk, they added.

Many registered dairy farms have already been closed due to unusual price hike of fodder and other accessories.

Owners of some 650 registered dairy farms out of 1,300 here have ceased their production during the last two years. The rest are needed proper patronisation.

The enthusiastic dairy owners have failed to achieve success due to faulty selection of farm lands, bad management, inadequate treatment facilities for cattle and lack of hygienic cow-sheds, the local experts said.

Concerned quarters said proper government policy and patronisation are needed to help develop dairy farms.

China to provide \$250m worth of equipment to Myanmar

BEIJING, Aug 18: China has signed a contract to provide 250 million dollars worth of equipment for Myanmar's planned largest hydropower plant, the official China Daily reported Tuesday, says AFP.

The Paung Laung plant, with planned capacity of 280 megawatts, is expected to increase the country's total generating capacity by 30 per cent, the newspaper said.

The Chinese side will provide equipment for the plant, construction machinery and technical know-how.

The deal was signed by China's Yunan Machinery Import and Export Corp. and Myanmar's Myan Manpower Co at Anj export fair that ended last weekend in the southwestern city of Kunming.

China is supporting the deal with an export buyers' credit carrying a 10-year term plus grace period of five years, the report said, without providing further details.