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BKB to disburse Tk 175 cr in 11 southern dists

BARISAL, Aug 23: Bangladesh Krishi Bank (BKB) of Barisal region has undertaken a programme to disburse a sum of Tk 175.17 crore among the farmers of 11 southern districts under Barisal Agriculture Extension Zone (BAEZ) as crop loan in the current 1998-99 fiscal year, reports BSS.

The districts to be covered by this programme include: Barisal, Jhalakathi, Bhola, Pirojpur, Patuakhali, Barguna, Faridpur, Madaripur, Gopalganj, Rajbari and Shariatpur. According to an official source, the loan will be disbursed for cultivation of aman, boro, aus, wheat, potato, mustard, banana, pisciculture, betel leaf, purchasing oxen, irrigation equipment, setting-up dairy and poultry farms, cow-fattening and for Women Entrepreneurship Development Programme (WEDP).

Of the total, Tk 21.74 crore has been allocated for the farmers of Barisal district, Tk 6.98 crore for Jhalakathi, Tk 12.28 crore for Pirojpur, Tk 16.70 crore for Bhola, Tk 18.81 crore for Patuakhali, Tk 17.99 crore for Barguna, Tk 19.77 crore for Faridpur, Tk 13.07 crore for Madaripur, Tk 12.90 crore for Gopalganj, Tk 15.99 crore for Rajbari and Tk 18.96 crore for Shariatpur districts of this region, the source added.

The loan disbursement will help create massive agriculture rehabilitation in this region in this fiscal year.

The target of disbursement was fixed at Tk 140.79 crore in the last fiscal year and the source added.

China to close 22,000 illegal coal mines

BEIJING, Aug 23: China plans to shut down 22,000 small illegal coal mines by 2000 in order to reduce an over-supply of coal, the Business Weekly reported Sunday, reports AP.

The mines that will be closed produce low-quality coal that creates the most pollution when burned, it said.

Closing the small mines is expected to reduce annual coal output by 200 million tons and balance domestic supply and demand, the report quoted Wang Xianzheng, deputy director of the State Coal Industry Bureau, as saying.

China produced 540 million tons of coal in the first half of this year, down 7.8 per cent from the same period last year, the state-run Xinhua reported Sunday. Coal supplies three-fourths of China's energy.

The national coal industry has reported losses of 1.75 billion yuan (\$211 million) in the first half of the year due to oversupply. Last year was the first time it had net profits after period of serious losses from 1984 to 1996.

China also has 2,500 local state coal mines and 75,000 township and village mines.

Target not achieved Revenue earnings up 9.5 pc at Benapole, Darsana

From Our Correspondent

JESSORE, Aug 23: Revenue earnings at Benapole and Darsana stations under Jessore Commissionerate of Customs, VAT and Excise fell short of target by wide margin in the last fiscal year but posted an increase of 9.50 per cent over the previous year.

The stations earned over Tk 285 crore 32 lakh against the target of Tk 306 crore 10 lakh, showing a shortfall of Tk 20 crore 77 lakh 50 thousand, according to a Jessore Commissionerate source.

The earnings rose by Tk 24 crore 74 lakh to Tk 285 crore 32 lakh in 1997-98 from the previous year's Tk 260 crore 57 lakh 61 thousand. During the fiscal 1996-97, the amount was collected against the target of Tk 312 crore 90 lakh, indicating a shortfall of Tk 52 crore 32 lakh 38 thousand.

Revenue earnings from Benapole Division of Customs, VAT and Excise fell short of target by Tk 80 crore 60 lakh eight thousand. The earnings totalled Tk 193 crore 94 lakh 92 thousand as against the target of Tk 274 crore 55 lakh.

On the other hand, Darsana Division collection target exceeded by Tk 45 crore 69 lakh one thousand. It earned more than Tk 30 crore 16 lakh one thousand as against the targeted Tk 28 crore 47 lakh.

The target for 1997-98 was Tk 45 crore 52 lakh 38 thousand higher than that of 1996-97.

Items that were imported through Benapole land port during the fiscal 1997-98 included machinery, cotton yarn, fruits, vehicles, garment fabrics. Through Darsana, only cement and stones were imported.

BTMC mills' fight for survival

Quaderia at Tongi tries to catch up

By Rafiq Hasan

Quaderia Textile Mills, a Bangladesh Textile Mills Corporation (BTMC) undertaking, has become a model for public sector mills to cover up for losses.

When most of the state-owned mills were on the verge of closure because of staggering losses and were looking for a way-out, Quaderia at Tongi is selling services to private customers. Last fiscal year, the factory earned as much as Tk 2.50 crore from such clients.

The spinning mill with 16,824 spindles is at a break even point now. Its capacity utilisation also reached up to 75 per cent last year while most of the public sector mills were not used more than 30 per cent of

their capacity.

Mill officials, CBA leaders and workers were little hopeful about their production at the current level and would probably have lost their jobs as hundreds of their fellow workers in other mills faced during last few months.

Out of 11 BTMC textile mills closed down last year following losses, six are located in Tongi alone. As a result, some 8,000 workers lost their jobs.

"Workers have realised that if they did not work, the government would also close down their factory," said Kasimuddin, general secretary of the Quaderia CBA.

"Everyone knows the factory has to run. That's why they are

working hard," he said. "The mill is running round the clock, even during week-ends," said Mamtazuddin Ahmed, manager of Quaderia, "except for power failure."

The manager said the factory would have made profit if there was no power disruptions. Quaderia is only allowing private companies to use its spindles. The clients come with their raw materials and go back with finished products paying a service charge.

"We are no longer involved with purchasing raw materials and selling finished goods," the manager said.

About a dozen BTMC mills began selling such services after

government's reluctance to provide working capital to those mills since the early 90s.

"The main objective of the system is to keep the mills running and save the state from further losses," said a senior BTMC official. "Through this system we are trying to retain the workers."

As many as 13 BTMC mills, out of 19, have been unable to pay regular wages to their workers.

Responding to the textile minister's request, the finance ministry recently granted Tk 6 crore to pay the workers of those mills, but warned BTMC that it would be difficult to get money for the same purpose in future.

India recently announced a list of 2000 items including tea,

India rejects tea industry demand to curb imports

CALCUTTA (India), Aug 23: Indian Commerce Minister Ramakrishna Hegde yesterday rejected the tea industry's demand to restrict imports from neighbouring countries, but said the government would raise customs duties if necessary, reports Reuters.

"There is no question of going back on that (allowing imports) because we are committed to it," he said.

"What we can do is, depending upon the extent of damage to our industry, we can impose customs duty," Hegde said after meeting members of the Indian Tea Association.

Hegde told reporters later that the tea industry should be prepared for a liberal import regime.

India recently announced a list of 2000 items including tea,

on which import restrictions will be removed within the SAARC area.

SAARC (South Asian Association for Regional Cooperation) bands seven countries — India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives.

The Indian Tea Association has opposed the liberalisation of tea imports and has sought the intervention of Prime Minister Atal Behari Vajpayee to protect the interest of domestic firms.

"The minister reacted extremely positively," the association said in a written statement after the meeting with Hegde.

The minister agreed to consider industry's demand that government should allow import of only good quality tea.

BB T-bill auction held

The 107th auction of the 90-day treasury bill, the 98th auction of the 30-day and the 180-day treasury bills and the 72nd auction of the one-year treasury bill were held yesterday, reports UNB.

Eighty seven bids for a total Tk 723.50 crore of 30-day bill, eight bids for a total Tk 53.50 crore of 90-day bill, two bids for a total Tk 5 crore of 180-day bill and 15 bids for a total Tk 141.50 crore of one-year bill were offered.

Of these, 50 bids for a total Tk 603.50 crore of 30-day bill, all the bids of 90-day bill and 12 bids for a total Tk 124.50 crore of one-year bill were accepted.

The bid offered for the 180-day bill were not accepted.

The weighted average prices of the accepted bids against the 30-day, 90-day and one-year bills were Tk 99.30, Tk 97.79 and Tk 90.69 per 100 Taka respectively.

The corresponding yields are 8.48 per cent, 9.03 per cent and 10.27 per cent per annum.

Stable food prices check Philippine inflation in July

MANILA, Aug 23: Stable food prices lowered inflation pressures in the Philippines in July, with inflation softening to 10.6 per cent on the year from 10.7 per cent in June, the government said, reports AP.

The significantly better-than-expected figures buoyed the stock market, with the main index snapping a three-day losing streak in which it fell 6.3 per cent to its lowest level in five years.

In the seven months to July, inflation averaged 9.2 per cent, well within the government's target of single-digit average inflation for the year.

The government said food prices, which have a hefty weighting on the consumer price index, stabilised in July after several months of increases.

Economists had predicted inflation rising by as much as 11.5 per cent in July largely on expectations that a drought caused by the El Nino weather condition would continue to force food prices higher.

"Based on recent indicators the economy could be veering toward a lower inflation path," Socio-Economic Planning Secretary Felipe Medalla said.

Medalla said he remains optimistic that the easing of El Nino and importation of rice, a basic foodstuff in the Philippines, means that the prices of agricultural-based products will continue to fall as rains normalise.

But this is likely to remain a contentious issue with some economists, who believe that the effect of El Nino on agricultural production haven't abated yet.

"Although some provinces have begun to experience rainfall, it isn't enough to make up for the long dry spell," said Clarence Pascual, an economist at Research One Overseas Inc.

Pascual noted supplies of rice and sugar are well below ideal levels prescribed by the government and that imports of these products aren't enough to satisfy demand.

The country's inventory of rice totalled 1,446 million tons at the end of last month, which is sufficient for 66 days' supply. This is 24 days short of the ideal 90-day inventory for the third quarter.

Meanwhile, the government expects the sugar inventory to reach 113,000 tons by end-August, still short of the monthly requirement of 150,000.

"Food prices will most likely remain under pressure in the coming months due to this undersupply," Pascual said.

Ricky Lozari, economist at Angping and Associates Securities Inc, said the Bureau of Treasury's decision to limit its borrowings from the domestic market to keep T-bill rates down has helped keep inflation from rising further.

Value of Thai rice exports up 46 pc

BANGKOK, Aug 23: The value of Thailand's rice exports in July in baht terms jumped by 46 per cent year-on-year to 7 billion baht (162 million US dollars) on an export volume of 520,000 tons, according to official figures available, reports Xinhua.

Rice exports for the first seven months of the year rose by 82 per cent of 52 billion baht, showed figures released by the Thai Commerce Ministry.

In dollar terms, the increase was 11 per cent to 1.2 billion dollars.

Shipments from January through July went up by 38 per cent to 3.81 million tons.

The ministry forecast that rice exports would be steady at 450,000 to 500,000 tons per month in the third quarter, citing high demand and poor crops in countries such as Vietnam, India and Pakistan.

US stocks end week slightly higher

NEW YORK, Aug 23: US stocks started the week on a high note but were barely able to retain their gains with the deepening financial crisis in Russia and US attacks in Afghanistan and Sudan, reports AFP.

The Dow Jones industrial average closed Friday at 8,533.65, up 108.65 points (1.29 per cent) for the week. It was able to close above 8,700 points Tuesday for the first time since August 3.

Volume was 3.26 billion shares, down from 3.36 billion the week before.

Investors turn to the relative safety of the bond market in the face of international financial turmoil.

The yield on 30-year treasury bonds fell to 5.459 per cent, its lowest point since the notes were introduced in 1977. Last Friday the yield was 5.537 per cent.

The Dow began the week by regaining one third of its losses accumulated since its most recent record high July 17.

President Bill Clinton's admission Monday that he had an affair with former intern Monica Lewinsky was received well by investors.

They were also encouraged by positive quarterly reports,

especially in the high-tech sector.

But portfolio managers sought refuge in the bond market following news that Russia's commercial banks may not be able to honor their foreign debt.

The US bombing on suspected terrorist sites in Sudan and Afghanistan Thursday initially boosted stock prices but fears of further strikes led the Dow to plunge by 280 points Friday.

"The broad market started a correction in April, but the blue chips were resilient and kept going up until July, and now they'll keep going down," said Larry Wachtel, of Prudential Securities who foresees a further correction.

Among the gainers for the week were Dell computer on the Nasdaq exchange closed Friday at 117-1/2 from 105-5/8 one week earlier.

IBM closed at 127-7/8 from 125-5/16 and Hewlett packard at 54-7/8 from 52-1/2.

Bank shares fell with Jp Morgan at 119-3/8 from 126-1/4 and Citicorp at 134-5/16 from 139.

S'pore bourse passes mock Y2K test session

SINGAPORE, Aug 23: The Stock Exchange of Singapore passed a critical test on Sunday to prepare its trading system for the start of the new millennium, when the dreaded Year 2000 bug is expected to strike, reports AP.

A mock session lasting several hours Sunday morning involved setting the dates in all trading computers to January 3, 2000, which will be the exchange's first day of operation in the next millennium.

The trial, which used closing data from the last day of trading on Friday, was "successfully completed," according to a statement from the exchange. Trades were keyed in as if the market were actually in session.

The simulation involved 33 member firms of the stock exchange, authorized trading centers, approved foreign brokers, participants of the bond quotation system, and other subscribers of the exchange's broadcast services.

Experts fear that the new

millennium will wreak havoc in computer systems worldwide, because they have been programmed to interpret years by their last two digits and are likely mistake 2000 for 1900.

Governments fear the glitch could paralyse essential operations such as the smooth running financial institutions, air traffic control and emergency services.

JB post-flood agri loan programme

Janata Bank branches have been alerted to ensure speedy disbursement of agri-loan to the flood-affected farmers immediately after recession of water, says a press release.

Farmers willing to avail loans on current *aman* and ensuring *rabi* crops are advised to contact nearest branches of the bank immediately.

Computer experts in Singapore are so wary of the potential disruptions that they have been counseling some banks to remain closed for the first few business days of the new millennium. The Straits Times reported last week.

"The Year 2000 issue is a crisis which is going to hit us for sure and nothing can prevent it from happening," Andrew Lee, a computer consultant working for a major Singapore Bank, was quoted as saying.

As with the stock exchange, banks in Singapore are scheduled to open for business on Monday, January 3, 2000. Because it is closer to the international date line than much of the world, Singapore will be among the first to witness the calendar transition in computer systems.

Some experts have indicated that many Singapore businesses — including banks — are not adequately prepared for the calendar change, though the government has said that most large institutions are on track.

JS body meet told Raw rubber worth Tk 135cr produced

Some 29,201 tonnes of raw rubber worth over Tk 135 crore have so far been produced in the rubber gardens of greater Chittagong, Sylhet and Mymensingh districts, reports UNB.

The gardens have been developed on 32,665 acres of land at 15 places of the districts.

This was disclosed at a meeting of the parliamentary standing committee on Environment and Forest Ministry yesterday. Held at the Sangsad Bhaban, the meeting was presided over by committee Chairman Alhaj Mohammad Tabibur Rahman Sarder.

The meeting discussed the overall activities of BFIDC, distribution of saplings and various aspects of 'Atia Forest (preservation) Ordinance 1982.

Committee members Environment and Forest Minister Syeda Sajeda Chowdhury, Kader Siddique BU Habibul Rahman Molla, Begum Anjumana Jamil, Golam Sarwar Hiru, Md Waheduzzaman Sarkar, Shamsul Islam Khan and officials concerned were present.

Financial backing for 'terrorists' suspected Police probing Arab Islamic Bank in Tirana

TIRANA, Aug 23: Police in Albania are investigating an Arab Islamic Bank operating in Tirana, whose clients are suspected of "terrorist" activities, the daily newspaper Shekulli reported yesterday, says AFP.

"Several people suspected of links to Islamic fundamentalist groups have deposited money with this bank," reported the newspaper, quoting police sources.

The Arab Islamic Bank is suspected of having provided financial backing for Islamic terror groups, said Shekulli. It was founded by Saudi Arabia and Kuwait.

The Albanian government is considering closing the bank down and the police have called on the United States to assist in the investigations, it continued.

Albanian Prime Minister Fatos Nano was quoted in Saturday's press as saying that his country would "cooperate closely with its allies, first and foremost the United States, to

close its borders to terrorists."

Washington last week ordered its diplomats and their families to leave Albania, due to fears the US Embassy in Tirana could come under terrorist attack in the wake of bombings at US embassies in East Africa.

In a joint operation with the Central Intelligence Agency (CIA), Albanian police arrested three Egyptian Islamic extremists, who reportedly had hoped to join Muslim Albanians fighting to end Serbian rule in the troubled province of Kosovo.

Two other Egyptians suspected of terrorism are also being held in jail in Tirana, said the press.

The Albanian government decided to run checks on all Arab nationals in Albania after the bombings at the US embassies in Nairobi and Dar Es Salaam, Tanzania, which killed 257 people.

India seeks increased trade with Russian regions

by Arun Mohanty

MOSCOW, Aug 23: With the devolution of power in Russia, the country's regions are playing a key role in shaping the nation's foreign economic policy and India is increasingly focusing attention on the regions to boost Indo-Russian trade.

The Indian Embassy in Moscow has taken several initiatives to get Russian regions interested in India. A working group to promote cooperation with the regions has been set up under the inter-governmental Joint Commission, the apex decision body for shaping bilateral ties.

The formation of this working group with Ivan Shabanov, a leading Senator and Governor of the highly-industrialised Voronezh region, as its co-chairman is seen as a clear sign of Moscow and New Delhi's intention to step up cooperation at the level of regions. The keenness of Russian regional leaders to do business with India is reflected in the fact that a number of important regional governors accompanied Russian First Vice-Premier Anatoly Chubais, co-chairman of the Indo-Russian Joint Commission, during his visit to India last year.

Other important governors are expected to accompany President Boris Yeltsin during his visit to India planned for December this year. They include Muraza Rahimov, President of Bashkortstan who is vice co-chairman of the working group on regional cooperation, Teimur Shamiyev, President of Tatarstan and Vladimir Lyubimov, Governor of Ryazan and Vasily Starodubtsev, Governor of Tula.

An Indian delegation, headed by Indian Ambassador Ronen Sen, visited Bashkortstan on the invitation of the republic's Prime Minister Rem Bakiev. During the three-day trip, Sen also met President Rahimov and held detailed talks on a wide range of questions concerning bilateral cooperation which led to the signing of a memorandum of understanding to expand bilateral ties in the fields of business, trade, culture and tourism.

The Indian Ambassador announced a grant of ten million roubles for opening a centre for Indian studies in the local university. Rahimov spoke of the industrial potential of his re-

public and recalled that experts from Bashkortstan had taken part in the construction of India's Bhilai steel plant built with the help of the former Soviet Union. Lamenting that the two sides had not taken advantage of the trade potential between Bashkortstan and India, Rahimov recalled how India at one time used to buy helicopters, machinery, fertilisers and many other items from the Russian republic.

Indian tea, coffee, medicines, garments are very popular in Bashkortstan. The Indian Ambassador also visited the Republic Academy of Sciences, during which its president academicien Robert Nigmatulin stressed the need for active interaction between the scientific communities of the two countries. It was decided that a long-term collaboration programme would be signed during the visit of an Indian scientists delegation to the republic. The Indian businessmen who accompanied Sen, held intensive talks with their counterparts in the republic. Representatives of 35 leading Bashkortstan companies took

part in a seminar to find ways to boost trade.

Taking advantage of Russia's new free-market policies, the regions are trying to recover lost ground in India in the aftermath of Soviet collapse. Regions like Ryazan, Voronezh, Omsk, Yaroslavl and Bashkortstan have participated in the annual India International Trade Fair in New Delhi. Sverdlovsk Oblast, where the giant machine building factory Uralmash that once supplied machinery and equipment to India is based, was the first to try to tap the Indian market by organising a 'Days of Sverdlovsk' fair in India in 1994.

A huge delegation of plant managers, entrepreneurs, academicians and artists went to New Delhi to introduce their region to Indians. During the fair, India's Karnataka state and Sverdlovsk agreed to establish a special relationship because of the supplementary nature of their economies. A decision to set up several joint ventures in the Russian region with the participation of Indian companies was also taken.

Sverdlovsk was followed by Voronezh Oblast, which once supplied mining machinery to India. A 97-member team, headed by the regional Governor Ivan Shabanov went to New Delhi during the India International Trade Fair last year and also organised a 'Days of Voronezh' fair.

Voronezh, a hub of Russian heavy industry, exported sophisticated industrial machinery to India for nearly three decades till the Soviet break-up. "So, one of our main priorities is to retrieve lost ground in India and attract Indian entrepreneurs to our region," said Vladimir Kapustin, director of the Centre of Information and Socio-Economic Research.

We would like Indian companies to invest in our region and the regional administration is prepared to provide certain privileges to Indian investors, particularly in hotel and consumer goods sector, which is fairly developed in India," he added.

A newly-formed Russian-India Friendship Society, inaugurated by the Indian Ambassador, is actively functioning

under the patronage of the Voronezh regional administration. Voronezh's leading machine building plant Rudgornmash has succeeded in bagging a multi-million dollar deal for supplying mining machinery to modernise India's coal industry.

India was the largest trading partner of the former Soviet Union among developing countries, but bilateral trade, pegged at five billion dollars in 1990, fell sharply to less than half a billion dollars in 1992. In recent years, the two countries have realised that the level of trade is not commensurate with the potential and looked for ways to boost this. They realised that in the changed situation in Russia, strengthening cooperation at the regional level could catalyse bilateral trade.

The industrially developed Ryazan region has also shown keen interest in reviving economic links with India. P Mohan of the India Trade Promotion Organisation (ITPO) was in the region recently to hold detailed discussions with local authorities. — India Abroad News Service