

**SANYO**  
Colour TV  
Sole Distributor in Bangladesh  
Transfin Trading Limited  
100, Kazi Nazrul Islam Avenue, Dhaka-1215  
Tel: 81307-10, Fax: 813062

**SANYO**  
Air Conditioners  
Sole Distributor in Bangladesh  
Transfin Trading Limited  
100, Kazi Nazrul Islam Avenue, Dhaka-1215  
Telephone: 815306-09, 819625-29, Fax: 813062

DHAKA, SATURDAY, SEPTEMBER 12, 1998

**Fear over Clinton's future downs dollar**

LONDON, Sept 11: The dollar fell against major currencies in London Thursday, as fears over President Bill Clinton's political future outweighed a loosening of Japanese monetary policy, reports AFP.

The dollar was being traded at 135.20 yen from 136.83 yen late on Wednesday, but higher than 134.92 yen earlier in Tokyo, and at 1.7083 marks from 1.7230, the lowest level since November 11, 1997.

Sterling also fell before the Bank of England's decision on interest rates, trading at 2.8599 marks from 2.8666, the lowest level since October 16, 1997.

Although the rate is expected to remain 7.5 per cent, there are still concerns among sterling investors that there could be a surprise cut, said an economist at Bank of America, Robert Hayward.

He said that dollar investors were "concerned about the political situation in the states and people are worried about a possible impeachment of Bill Clinton" as Congress began to examine special prosecutor Kenneth Starr's report.

The dollar was also under pressure because of doubts over the stability of emerging markets in Latin America, Hayward said.

This had combined to outweigh the rise of the dollar against the yen on Wednesday caused by Japan's announcement of interest rate cuts. In addition, Tokyo's new policy was "seen as an act of desperation," Hayward said.

The dollar was being traded at 1.7083 marks from 1.7230, 135.20 yen from 136.83, 1.4013 Swiss francs from 1.4157 and 5.7273 French francs from 5.7804.

The mark was at 79.27 yen from 79.19, 0.8202 Swiss francs from 0.8211, 987.46 lira from 987.10 and 3.3537 French francs from 3.3524, and was unchanged at 84.89 pesetas.

The pound was at 1.6740 dollars from 1.6625, 2.8599 marks from 2.8666, 226.32 yen from 226.85, 2.3445 Swiss francs from 2.3539 and 9.5823 French francs from 9.6076.

The spot gold price was 285.65 dollars an ounce from 284.45 dollars.

**Six exporters to participate in Bari trade fair**

Six exporters and manufacturers will participate in the 9-day Bari International Trade Fair in Italy, beginning today, officials said, reports APB.

The exporters will display jute carpet and other jute goods, leather products, cotton bags, gift items, leather footwear, jacket and handicrafts in the BITF.

Bangladesh will participate in a total of 25 international trade fairs this year, they said.

The Export Promotion Bureau (EPB) in collaboration with the Bangladesh missions abroad is organising the exhibitions aiming to expand export market for the country's exportable products.

Talking to APB, Fair Division Director of EPB Faridul Hassan said a number of export-oriented business firms are now exhibiting their products in the 7-day SAARC Fair which began in Colombo from September 8.

The EPB official said several private-sector exporters have already taken part in Frankfurt International Trade Fair and Tokyo International Gift Show held recently.

**Chinese export growth continues slowdown**

BEIJING, Sept 11: China's export growth continued to slow in August, although it registered a trade surplus of 31.3 billion dollars in the first eight months of the year, according to customs figures released on state television Friday, reports AP.

A worsening in the Asian economic situation caused exports to drop 1.4 per cent from July, while imports fell 0.3 per cent from July, the broadcast said, without providing specific figures.

In the first eight months of the year, China's exports rose 5.5 per cent to 118.65 billion dollars, while imports inched up 0.4 per cent to 87.26 billion dollars, the report said.

Total trade volume grew 3.3 per cent to 205.91 billion dollars.

China's export growth has slowed significantly from a record growth of 21 per cent in 1997. Exports to Japan, South Korea and Southeast Asian countries all have dropped.

No further details were provided in the brief report.

According to forecasts from the State Information Center, a government research group, China's exports are expected to continue to slow throughout this year, rising 3.1 per cent in the third quarter. Meanwhile imports are predicted to grow 2.5 per cent in the same period, the centre said.

**Shortfall in urea production**  
**Govt puts off fertiliser export, targets bulk of import**

Deeming a shortfall in urea production in the country, the government has put off export of the fertiliser and rather decided to import a bulk to meet a bigger need for farming the next crops, reports APB.

The government has decided to import some two lakh metric tonnes of urea, if necessary, to meet the country's demand," an official at the Bangladesh Chemical Industries Corporation (BCIC) said.

He said the National Advisory Committee on Fertilisers earlier had decided to export some 30,000 tonnes of urea as production capacity was higher

than the farmers' demand. The demand was estimated at 20 lakh tonnes of urea for the financial year and the target of production for the country's six factories fixed at 19.95 lakh tonnes. Besides, the BCIC had a carryover stock of four lakh tonnes.

As per the decision, BCIC exported some 20,000 tonnes of urea. But the corporation ditched the plan as the Chittagong Urea Fertilizer Factory (CUFL), the biggest one in the country, remained closed since July for disruption in gas supply.

CUFL had a target of produc-

ing five lakh tonnes of urea. "But as the gas supply to the factory is uncertain, the total target of production must suffer," said the state corporation official.

He told APB if production in other factories went well, some 17 lakh tonnes of urea could be produced this financial year.

Meanwhile, BCIC officials appeared concerned over the piling up of fertilisers in different factories as sales of urea slumped due to floods that engulfed the country's agriculture.

They said as the communications network broke down, the sales of urea declined far below the level of last year's corresponding period.

The sales during July-August in Jamuna Fertiliser Factory stood at 67,724 tonnes, but the volume in 1997-98 was 93,037 tonnes.

Zia Fertiliser Factory, Ghorashal Urea Fertiliser Factory, Palash Urea Fertiliser Factory and Natural Gas Fertiliser Factory were no exception to the damper.



**OFF TO A SAFE HAVEN?:** Poultry farmers at city's Jatrabari take their cattle to safer places while the ever-rising flood water keeps on inundating fresh areas everyday, making it difficult for the owners to guarantee accommodation and safety for the poor animals. — Star photo by Enamul Haq

**Economists advise govt**  
**Ensure working capital to flood-hit industries**

A panel of economists Thursday advised the government not to go for net credit expansion in order to keep under control the inflationary pressure, now showing an uptrend, reports APB.

The panel in a stock-taking meeting with Finance Minister Shah AMS Kibria also asked the government to concentrate on ensuring working capital to the affected industrial units.

They observed that channeling new term financing to the industrial sector would mainly contribute to fuelling the inflationary pressure in the wake of crippling flooding.

According to independent experts, the rate of inflation was nearly eight per cent before the floods, although the official statistics trimmed the figure to be a little less.

The galaxy of economists feared that the inflation rate would go out of control after

floods as prices of basic foods and other essentials were spiralling in the wake of calamity.

Also, they suggested that the government should not focus its attention on achieving a higher growth, rather it should plan to utilise resources for rehabilitation of economic infrastructure.

The panel comprising country's top economists wants cut-backs in "low-priority" projects from the annual development programme (ADP) for present 1998-99 fiscal.

They also recommended that the ADP projects which have so far achieved a very low progress in their implementation should be shelved for the time being, meeting sources told APB.

The resources to be saved by downsizing the ADP should be utilised for the rehabilitation of the basic infrastructure, mainly roads and highways, they suggested.

The economists also noted

their reservations about government's plan to allocate a huge amount for the agriculture sector after the flood, but suggested that seeds, fertilizers and other inputs be ensured to the farmers for next boro crop.

According to the sources, they mainly expressed their reservation about a huge allocation on ground that the other sectors would also need funds when the flood water recedes.

The finance minister, however, informed the economists about government priority to agricultural rehabilitation as floods severely damaged aus and aman crops.

Economists Prof Wahiduddin Mahmud, Debopriya Bhattacharya, Binayak Sen, Sajjad Zahir, Quazi Kholiqzaman Ahmed, Nasrin Khandker and Mustafa Mujeri attended the meeting. FBCCI president Yusuf Abdullah Harun was also present.

**15pc go down the drain every year**  
**Lack of processing facilities hinders pineapple export**

Despite huge potential to emerge as a forex-earning export item, the future of pineapple still hinges on want of processing industry, reports APB.

For want of processing plants, cold storages, marketing and transport facilities, huge pineapple perish is every year in Madhupur, Tangail, country's one of the most prolific granaries for the fruit crop.

About 250,000 tonnes of pineapples, experts estimate, are produced in the zone annually, of which 15 per cent go down the drain.

Local businessmen said raw pineapple could be exported to the Middle East and some European countries. It can also be exported after processing.

With jam, jelly and juice, pineapple has good market at home also. But pineapple juice, ironically, is imported from Bhutan, consumers lamented.

In spite of a bright prospect, the government is yet to establish any pineapple research centre in the country, or even evolve any marketing system for the vitamin C-rich fruit, alleged the experts.

The government earlier had given commitment to setting up a pineapple-processing centre at Madhupur, but it is yet to come true, growers said. Sources said entrepreneurs

in this field had not yet come forward due to tangles in bank loan procedures and erratic power supply.

Despite potential market-value home and abroad, the pineapple growers and its traders face difficulties mainly during the harvest of the perishable but a cash crop.

As a result, the growers cannot reap a sizable benefit from its cultivation. "Nor," many a

market watchers say, "can the consumers get the nature's gift at cheaper or at least reasonable prices in big cities and places far away from the fruitful Madhupur tracts."

Along with two other major zones — Sylhet and Chittagong Hill Tracts — and also geographically Madhupur-like Gazipur, over 50,000 acres of land is used for pineapple farming.

Some 22,000 acres of land has been brought under pineapple cultivation in Madhupur zone also this season, according to Agriculture Extension Department.

During the current harvesting season, about 2.5 lakh tonnes of the succulent item have already been harvested, sources said.

But, local sources said, the growers' aspirations for using the Bangabandhu Jamuna Bridge for the traffic of pineapple-carrying transport have been shattered by unprecedented rain and the havoc of floods.

Vast tracts of pineapple fields were also waterlogged due to heavy monsoon fall this year. But, experts say, pineapple could be harvested beyond monsoon by using hormone spray. "It can even be harvested round the year," said one.

**Air Canada strikes deal with pilots**

MONTREAL, Sept 11: Air Canada and its striking pilots have reached a tentative agreement to end a nine-day strike that grounded the fleet of Canada's largest airline, says AP.

Ratification of the agreement, which was reached Thursday night, by the 2,100 pilots is expected to take about three days. The airline said its 500 daily flights are expected to resume next Wednesday or Thursday.

Air Canada, which normally carries about 60,000 passengers a day, lost an estimated seven million US dollars daily during the strike.

**Ukraine gets \$257m IMF loan to defend currency**

KIEV, Sept 11: The International Monetary Fund (IMF) has released a first instalment of 257 million dollars of a loan of 2.2 billion dollars to Ukraine to defend the hryvnia, the Ukrainian national bank told AFP yesterday.

The loan of 2.2 billion dollars, under the extended fund facility, was extended at the end of last week.

The first instalment would be used mainly to increase central bank reserves and "support the national money," the hryvnia, which had been weakened by the crisis in Russia, a spokesman for the bank, Dmitri Rikberg said.

At the end of last week the Ukrainian government widened the corridor of permitted fluctuation of the hryvnia thereby allowing a depreciation of 35 per cent.

The granting of the loan by the IMF will help us to reduce pressure on the hryvnia and to preserve the reserves of the central bank, "an economic expert said recently.

On Friday the IMF extended the loan of 2.2 billion dollars to enable Ukraine to shield itself from the effects of the crisis in Russia and to support an ambitious programme of structural reform.

This three-year programme concerns an easing of taxation, and increase of tax revenue, a reduction of bureaucracy and a boost for privatisation.

The IMF has forecast that over three years gross domestic product would rise by 3.0-5.0 per cent per year, that inflation would fall from 10 per cent last year to about eight per cent per year and that the budget deficit would fall from 3.3 per cent in 1998 to 2.0 per cent per year.

But the central bank also reported on Thursday that unpaid wages in Ukraine amounted to a record figure of 6.2 billion hryvnia (2.4 billion dollars) at the beginning of September.

**Russia boosts oil exports**

MOSCOW, Sept 11: Russia boosted oil exports by 10 per cent over the first seven months of this year but revenues still dropped sharply due to depressed oil prices on the world market, Interfax reported yesterday, reports APB.

Russia's oil revenues fell 26.7 per cent over the first seven months of 1998 compared to the same period last year. Interfax cited the Russian statistics committee as saying.

Revenues from Russian oil sales through July 1998 came to 5.886 billion dollars, the news agency reported.

Exports meanwhile grew by 10.2 per cent to 73.65 million tons, with Germany, Poland and Italy accounting for Russia's three largest oil consumers.

**PDB targets 1700MW addl power by 2001**

The Power Development Board (PDB) has taken up massive power generation projects, in both the private and public sectors, to add at least 1700 megawatt (MW) to the national grid by the year 2001, reports BSS.

Private sector power generation plants will add 1100-1200 MW power to the national grid while the remaining 500-600 MW will come from the public sector power centres to be built in this period by the PDB.

There will be at least 500MW surplus of power in 2001 as the country's total power generation will reach 3700MW by that period against the total demand of 3200MW, PDB Chairman Nuruddin Mahmud Kamal Thursday told newsmen at his office.

The PDB had earlier signed a number of agreements with power companies for generation of power in the private sector, since the government decided to meet the growing demand of power for household and industrial purposes, PDB chairman said.

Prime Minister Sheikh Hasina's cabinet approved the "Private Power Policy" on July 14, 1996.

The Prime Minister is expected to inaugurate the 110MW barge-mounted power plant in Khulna on September 12 while another barge-mounted private sector power plant will be opened by December at Baghabari in Pabna.

The power plants at Haripur in Narayanganj will be the other private sector power projects expected to be taken up the next six months. Power cell of the ministry of energy, power and mineral resources yesterday initiated an agreement with a US power company for installation of a 350-MW land-based power station at Haripur.

Mahmud Kamal said the government is considering the proposal of another US company for establishing four power centres with a total capacity of 350MW power at different parts of the country's western zone.

He said the government will install at least five public sector

power plants with a total capacity of 700MW power at Sylhet, Siddhirganj, Haripur and eastern part of the country by the year 2001. Overseas Economic Cooperation Fund of Japan will assist in the installation of power stations at Haripur and the eastern part.

The PDB has been running two separate projects, named '18-town power distribution project' and '16-town power distribution project' for development of its distribution network, the chairman said.

**Hilsa smuggling causing huge revenue loss**

BARGUNA, Sept 11: Hilsa, caught in large numbers in the rivers of the district this season, is being smuggled out of the country leading to loss of a huge amount of revenue, reports APB.

Most of the hilsas are finding their way to the neighbouring country, concerned sources said, adding the 'safest route' is the Bay.

Smugglers, who operated in a low profile after impounding of some foreign trawlers a few years back, have again become active, according to the sources.

They said the smugglers of Barguna, Patuakhali, Bhola, Pirojpur used Bishkhal, Paira, Baleswar and Andharmanik rivers for smuggling.

The local smugglers reportedly operate from Charduami area of Patharghata under the district through a syndicate with the smugglers of neighbouring countries.

Foreign trawlers carrying smuggled items worth Tk five crore were hauled up by the sadar police on April 16, 1994. It was reported that some automatic firearms and ammunition were recovered from the trawlers.

Local fishermen said demand for Bangladesh's Hilsa in the Indian markets was much greater than the actual supply through the legal routes.

**Indian right-wing front's drive against foreign cos**

NEW DELHI, Sept 11: A powerful right-wing pressure group with close links to India's ruling nationalists announced yesterday a nationwide campaign against foreign companies here, reports APB.

The Swadeshi Jagrah Manch (SJM, Self-Reliance Awareness Front), which is virulently opposed to foreign multi-nationals in India, said the campaign to be launched next week was aimed at countering the "colonial outlook" of India's economic reforms.

The campaign is likely to embarrass the Hindu nationalist Bharatiya Janata Party (BJP, Indian people's party), which heads India's ruling coalition.

The BJP is already having difficult balancing the free-market demands of its coalition partners and the international community against the conservative, protectionist platforms of its rightwing

backers. "Imperialism has only one antidote and that is Swadeshi (economic nationalism), senior SJM leader Mahesh Sharma told reporters.

Sharma is also a BJP Member of Parliament.

India began opening its economy in 1991, a move that some domestic companies argue has decimated local industries incapable of competing with foreign multinationals.

"Only-awakened public response can work as a deterrent to the ongoing process of globalisation," Sharma said, calling for India to withdraw from the World Trade Organisation (WTO).

The SJM action, beginning September 17, will involve mass public meetings and pamphleteering drive.

The theme of the campaign is to "build a debt free, employed and capable India," Sharma said.



Dhaka Chamber of Commerce & Industry distributes relief materials among 165 flood-affected families living on the lake side road at Banani in the city on Thursday. — DCCI photo

**ASA disburses Tk 1,056cr as micro credits this yr**

NETRAKONA, Sept 11: Association for Social Advancement (ASA), a leading NGO of the country, has so far disbursed Tk 1,055.67 crore till June this year as micro credits, reports UNB.

The amount was disbursed among the country's poor people at the grassroots level to help them engage in various income generating activities.

The money was distributed among the 14 million members of the NGO under its savings and credit programmes to make them self-reliant, according to

ASA executives. The ASA programmes under which the loan was disbursed included: rice husking, vegetable cultivation, poultry, livestock and fish farming, small trade, sericulture, restaurant and groceries.

ASA has extended its programme to 13,172 villages in 355 thanas of 61 districts in the country.

The NGO disbursed loans to 15 partner organisations amounting to Tk 2.31 crore up to June, 1998.

**BOI seeks more foreign aid for flood victims**

The Board of Investment has urged the foreign investors to inform their respective governments of the devastation wrought by the worst floods in the century to mobilise more help for the victims and rehabilitation of the hardest-hit sectors, reports BSS.

Addressing the local investors, chamber leaders and leaders of foreign investors bodies in Bangladesh on Thursday, BOI Executive Chairman Farooq Sobhan said the government is aware and keen to extend every possible help to the local and foreign investors at this hour of dire need.

He said the government has formed a national committee headed by the finance minister comprising a number of cabinet members to assess the extent of damage caused to the national economy with special emphasis on industries and requirement for rehabilitation.

Sobhan said the government has taken up a number of measures to keep the road, railway, ferry, launch and air cargo services running. Besides, steps have been taken to raise efficiency of the ports to handle incoming and outgoing shipments smoothly and expedite the customs formalities.

Organised by the BOI in its conference room, the meeting was attended by president of Dhaka Chamber of Commerce and Industries, American Chamber of Commerce, representatives of Foreign Chamber of Commerce, Bangladesh Chamber of Commerce, Bangladesh Export Processing Zone Authority, Japan External Trade Organisation (JETRO) and Korea Trade Centre (KOTRA).

Farooq said the government wants to know the exact extent of damage by the floods and all-out rehabilitation work will begin immediately after the waters recede.

He said the international community can also help Bangladesh through providing better market access, reducing duty and tariff and increasing quota for our products. He also sought cooperation of the foreign investors in carrying out the planned survey of BOI on the implementation rate of the 278 foreign investment offers registered so far with the board.

The investors representatives stressed the need for restoring the infrastructural facilities on urgent basis. Local investors leaders said banks should come up with special programmes to give long term loans and fresh working capital to the affected industrial units on easy terms.

Indonesia opens up rice imports to private traders

JAKARTA (Indonesia), Sept 11: Responding to strident student protests, Indonesia on Friday announced that rice imports would be opened up to private traders for the first time in 30 years to help bring down soaring food prices, reports AP.

In another development, Attorney General Andi Muhammad Ghalib said people convicted of hoarding rice and other goods could be punished with death, news reports said.

"Those who deliberately hoard, and those who deliberately misuse the basic needs of the people will be punished harshly," he was quoted by Republik newspaper as saying.

The decision to liberalise rice imports was included in an agreement between the government and the International Monetary Fund, which is overseeing deep and painful reforms of Indonesia's ailing economy.

The government also said it would increase supplies of cheap, state-subsidised rice for the growing ranks of poor.

Value-added tax on rice and other commodities would also be suspended to help cut costs for consumers struggling to cope with inflation and unemployment rates skyrocket.

Until now rice imports were controlled by the government's food distributing body, the National Logistics Agency, or Bulog.

Rice shortages and rising prices have become a major source of discontent among Indonesia's 202 million people. Shortages of the country's No 1 staple have led to sporadic looting and riots around the country. In some areas the price of rice has more than trebled.

Ghalib said a 1959 law authorises the state to use the death penalty for those who disrupt the supply of food.

The problem is shaping up as a key political issue for Habibie as he attempts to turn around Indonesia's ailing economy and institute democratic reforms following the resignation of his autocratic predecessor President Suharto last May.

In the agreement with the IMF, released Friday, the government said its programme to supply subsidised rice would be extended to 7.5 million families from 2 million now.

The government said domestic market prices for rice are currently close to international prices.