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DHAKA, WEDNESDAY, OCTOBER 7, 1998

Flood damages one lakh looms in Pabna

PABNA, Oct 6: At least one lakh looms of weaving factories in greater Pabna were damaged by the flood waters, rendering some five lakh weavers unemployed, reports APB.

Sources said about 30 thousand looms in Pabna sadar, Sunjagar, Bera, Iswardi, Bhargura and Chatmohar thana areas were damaged by the floods.

The worst-hit areas include: Dogachhi, Bharara, Sadullapur, Ghoradaha, Nishchintapur, Kurpara, Goalia, Udaypur, Nazirganj, Sagarkandi, Nakalia, Batiakhara, Natun Batiakhara, Neolaipara, Marich, Babarpur, Chawkehar, Haturia, Paikhond and Pechakola.

Some 70,000 looms in more than 100 villages under four thanas — Belkuchi, Chouhall, Shahjapur and Ullapara — of Sirajganj district also became inoperative due to floods.

The villages include: Jamirta, Bhatpara, Basuria, Perijuna, Gala, Kandapara, Rathankandi, Ruppur, Natunpara, Bera Khara, Hindupara, Bahabari, Modhupur, Daadpur, Babarpur, Islampur, Talgachi and Gablagati.

In particular, worst-hit are the marginal weavers, sources said.

Sri Lankan tea exports rise 33pc

COLOMBO, Oct 6: Sri Lanka's tea exports during the first eight months of this year increased by 33 per cent in value over the same period last year, the Daily News reported today, reports Xinhua.

From January to August, Sri Lanka exported 5.23 million US dollars of tea to the world market, compared to 3.92 million dollars in the same period last year.

A total of 179.8 million kilograms of tea was sold to the world market in the period, up 4 per cent from a year ago, the report said.

Meanwhile, tea prices also rose from 2.28 dollars per kilogram last year to 2.9 dollars this year.

The United Arab Emirates (UAE) emerged as the largest importer of Sri Lankan tea in July and August. By the end of August, it had imported 21.7 million kilograms from Sri Lanka, up by 48 per cent from 14.7 million kilograms a year earlier.

The UAE is expected to be the largest tea importer of Sri Lanka this year due to the ongoing crisis in Russia.

Imports by the commonwealth of independent states including Russia amounted to 36 million kilograms in the eight-month period, up from 35.3 million kilograms during the same period last year.

Tea is one of Sri Lanka's main export items and the source of the 25 per cent of its export earnings. The country's total tea exports last year were 244 million kilograms.

23 pc of Taiwanese small businesses ready for Y2K

TAIPEI, Oct 6: With just 15 months to go, only 23 per cent of Taiwan's small businesses are prepared to deal with the potentially disruptive year 2000 computer glitch, the Economics Ministry said Tuesday, reports AP.

In a survey of 1,300 companies categories as small or medium-size, 77 per cent said they were either not aware of the problem or had no ability to deal with it, the ministry said.

But the crisis may be less serious than it seems because only about 58 per cent of the such businesses are computerised, said Hsu Ju-chin, head of the ministry's information industry department.

Despite being one of the world's largest producers of computer hardware, Taiwan has only recently begun to computerise. Many businesses still rely on traditional methods of accounting and stock keeping.

Worldwide, governments have been mobilising to deal with the glitch, known as the Y2k problem, which results from computers and embedded chips in other machines reading years in just two digits. If uncorrected, those machines would read Jan 1, 2000, as Jan 1, 1900, causing them to shut down or scramble data.

The Economics Ministry has set up a task force to help companies test their equipment and offers low-interest loans for repairs or purchases of replacement parts, Hsu said.

Investments soar by 75 pc in Manila

MANILA, Oct 6: Investments in the Philippines jumped by 75 per cent in September to 7.36 billion pesos (167.2 million dollars) from the 4.2 billion pesos over the previous month, an investment tracking agency said yesterday, reports AFP.

The September figure represents 16 projects including investments in telecommunications, tourism and ship repair, the Board of Investments said in a statement.

It said the total investments for the nine months of September reached 164.4 billion pesos in value.

Nishimizu tells Kibria in Washington WB to help Bangladesh rebuild its economy

World Bank will provide all necessary assistance to Bangladesh in its effort to rebuild the economy after flood, reports UNB.

WB Vice-president Meiko Nishimizu gave the assurance at a luncheon meeting with Finance Minister Shah AMS Kibria at Washington on Monday.

WB Country Director for Bangladesh Fred Temple, Secretary, ERD, Finance Secretary, Alternate Executive Director of WB and Bangladesh Bank Governor were present, said a message received here today.

The finance minister briefed the WB Vice-president about the overall economic situation, particularly the damaged caused by the recent floods, re-

lief operations and the massive rehabilitation programme undertaken by the government.

He said the relief operation was run efficiently by government officials under the guidance of elected public representatives.

The meeting was also discussed about various modalities of assistance to Bangladesh from the World Bank for flood rehabilitation and overall development.

The WB's lending programme for Bangladesh was reviewed in the meeting with a view to identifying specific areas of assistance.

The minister said the resilient people of Bangladesh

have already started rebuilding the economy and the government has undertaken programmes to rehabilitate the agricultural sector, rebuild infrastructure and to ensure flood security.

Referring to the latest development in the power sector, he said the government's liberal policies have attracted private investment in the power sector.

He asked the WB to supplement the government's effort in an expeditious manner.

The World Bank Vice-president said that it has identified specific areas of assistance to support import of food and other essentials and to rehabilitate the infrastructures.

Taka steady against dollar

The Bangladesh taka remained steady against the dollar in the interbank trade yesterday despite increasing demands for the US currency for food and other essential commodity imports, foreign bank dealers said, reports BSS.

The taka was quoted at 47.24 and 47.2550 per dollar against the previous day's close of 47.24 and 47.2550.

The interbank call money rates were 7.5 to 8.5 per cent against the previous days 7.5 to 9 per cent.

There was no pressure on liquidity in the money market and all transactions were normal, the dealers observed.

Onion prices jump 500pc Vegetables vanish from New Delhi dinner tables

NEW DELHI, Oct 6: A 500-per cent jump in the price of onions, Indian's most favoured vegetable, prompted a national forum of lawyers to seek justice from the capital city's highest court yesterday, reports AFP.

The Delhi High Court ordered the government to reply to petitions of the All India Lawyers' Union saying it wanted answers by November 3 on the federal administration's strategy to lower the onion price tag.

The union complained that onions, which sold for 10 rupees (25 cents) a kilogram (2.2 pounds) in August, were now tagged at 60 rupees, with prices rising by the day.

It argued that prices of potatoes, capsicum, ginger, beans and cauliflower were keeping pace with the scarce onion and said that vegetables had virtually vanished from dinner tables of most New Delhi families.

Prices of essential commodities have gone beyond affordable levels and the government has failed to take concrete steps to check them, it said, urging the court to invoke tough laws to stabilise prices.

The unprecedented price hike is mainly because of the government's failure in disciplining traders at both retail and wholesale levels, the union told the High Court.

Indian exports down \$13.49b

NEW DELHI, Oct 6: India's total exports during April-August this year fell by 2.85 per cent to 13.49 billion US dollars from 13.89 billion dollars in the corresponding period last year, official sources said here today, reports Xinhua.

The total imports in the April-August period, the first five months of the current fiscal year, stood at 17.36 billion dollars as against 16.44 billion dollars last year, up by 5.63 per cent. This resulted in a trade deficit of 3.87 billion dollars in the April-August period compared with 2.55 billion dollars a year earlier.

Out of the April-August import basket, non-oil imports increased by 14.58 per cent to 15.06 billion dollars. With this, it has become certain that the targeted 20 per cent export growth will not be achieved during the current fiscal year, the sources said.

Indonesian economy shrinks by 13.6 pc in nine months

JAKARTA, Oct 6: Indonesia has plunged deeper into recession while enduring an inflation rate of more than 80 per cent, government figures released Monday show, reports AP.

The Central Bureau of Statistics said the economy shrank by 13.6 per cent during the first nine months of this year, compared with the same period in 1997. The annual inflation rate was running at 82.4 per cent.

Chief statistician Sugito Suwito told reporters he doubted inflation could be kept below the government's target of 80 per cent for the whole of 1998.

Acting on a public-interest suit, the apex court recently directed that all commercial vehicles more than 15 years old have to be phased out by the end of the year. It means scrapping off about 18,000 vehicles in three months, including motorised three-wheelers, taxis, buses, lorries and trucks. While yesterday was the last day commercial transport ve-

Japan joins global calls for drastic IMF reform

WASHINGTON, Oct 6: Japan joined global calls for drastic reform of the International Monetary Fund (IMF) yesterday saying its traditional prescription is "no longer appropriate in every instance," reports AFP.

"There is room, I believe, for further improvement on several accounts," Sadakazu Tanigaki, state secretary of Japan's Finance Ministry said in a speech at the IMF's interim committee here.

"For the fund to better adapt to this new environment we need to make a fundamental review of the international monetary system itself," Tanigaki said.

The United States and Britain have demanded improvements in the international financial system — including better bank regulation — after the Asian crisis triggered fears of a global economic downturn.

The IMF's "traditional prescription which combines fiscal balance improvement with tightening of monetary policy is no longer appropriate in every instance" the Japanese official said.

"When, for example, a country is not equipped with pre-conditions for reform. The fund should perhaps be more considerate of the timing of implementation and its social impact, he said.

The fund should recognise that the modality of the market economy can be diverse, reflecting the history and culture of each country as well as its stage of economic development, he said.

Meanwhile, an AP reports says Sharp declines in spending on new homes and factories forced the Japanese government to reverse an earlier forecast Tuesday and predict that its economy would contract for a second straight year.

The revision comes as Tokyo struggles to meet international demands that it do more to resuscitate its recession-hit economy and ease the Asian financial crisis.

Prime Minister Keizo Obuchi ordered his Cabinet to look into new measures — which may include new income tax cuts — to supplement an earlier 17-trillion yen (126 billion dollars) economic stimulus package, government spokesman Hiroshi Nonaka said.

"The world economy is facing a crisis that can't be ig-

nored," Obuchi said Tuesday in Parliament, where lawmakers were debating bills to clean up Japan's biggest economic headache, its teetering banking system.

"Reviving the economy is our biggest task," Obuchi said.

The Economic Planning Agency said it now believes the world's second-largest economy will shrink by 1.8 per cent this year, revising a previous forecast of 1.9 per cent growth.

The contraction would mark the first time the economy has declined two years in a row since 1955, when the government started calculating the gross domestic product — the sum of all goods and services produced within the country.

The rate of contraction would also be much steeper than last year's minus 0.7 per cent growth, suggesting Japan's economic slide may only be gathering speed.

The EPA's report offered little optimism that Japan's economy will return to growth in the near future. The problems cited include:

Faltering domestic demand for new goods and services, which is expected to drop by 2.4 per cent in the current fiscal year ending March 1999.

A fall in demand for new housing. The EPA now sees spending tumbling 11.6 per cent compared to its previous estimate of a 4.9 per cent increase.

Less investment by businesses in new factories and equipment. Such spending is now seen down 10.1 per cent this year, its worst showing in five years.

Australian exports surge despite Asian crisis

CANBERRA, Oct 6: Australia's exports remained strong despite the Asian crisis, with sales of goods and services overseas rising in July and August, Trade Minister Tim Fischer said Tuesday, reports AP.

Fischer said exports of goods and services rose 3.1 per cent, compared with the same two-month period a year ago.

"In other words, our exports are continuing to climb into this new financial year — we'll have the official figures for the first quarter of this new financial year soon enough," he said.

Jost Stollmann next Economic Minister of Germany

BONN, Oct 6: Germany's next economics minister will be computer entrepreneur Jost Stollmann, a Social Democratic (SPD) party spokesman said yesterday, reports AFP.

Asked why Stollmann, who is not a member of the SPD, was at a meeting of the party presidium here, SPD spokesman Michael Donnermeyer said: "He was taking part in his function as the future economics minister."

Stollmann, 43, was a controversial personal choice by incoming Chancellor Gerhard Schroeder for a cabinet post.

He caused headlines when he said, shortly before the September 27 election, that the existing welfare system was a "prison" for the average earner and urged cuts in state spending.

Schroeder, however, insists Stollmann will provide "fresh" ideas from the business point of view.

S Korea pushes for pact on free economic zone

MOSCOW, Oct 6: A South Korean diplomat called Monday for Russia and South Korea to sign a stalled agreement on a joint industrial area in Russia's Far East, a news agency said, reports AP.

Suk Won Tae, the Korean Consul-General in the Pacific port city of Vladivostok, said Korea wants an agreement on a free economic zone in the region to the signed as soon as possible, the ITAR-Tass news agency said.

The zone agreement would offer tax and tariff concessions to more than 100 South Korean light-industry enterprises who set up in the 320-hectare (790-acre) area in Nakhodka, near Vladivostok.

The firms would deal mostly in textile, timber-processing, and cannery operations, officials say.

The original agreement to jointly build the 160 million dollars complex in the zone was part of a 1992 summit agreement, but financial problems in Russia and South Korea have delayed its development.

BIBM workshop on management of creativity ends

Star Business Report
A 2-day workshop on "Management of Creativity" ended on Monday, at the Bangladesh Institute of Bank Management (BIBM). The focus of the workshop was on equipping the participants with requisite skills and knowledge in solving problems and developing proper attitude for the utilisation of their creative abilities, says a press statement issued Monday.

The workshop mainly dealt with creativity and creative thinking, problems facing an individual's creativity and ways of overcoming them.

Dr Sujit Saha, Director of Training, BIBM, chaired the concluding session of the workshop, in his concluding speech, Saha said "the management of creativity is no less important in banking sector as it helps think fast, generates new ideas and deals with problems in effective ways."

He expressed the hope that the workshop would help develop creative potentials and thus enable the bankers to work better and solve problems well than before.

The function was also marked by distribution of certificates by the Director of Training. A total of thirty three senior-level officers from different banks and financial institutions participated in the workshop.

BIBM faculty members ATM Abdus Shahid, Md Abu Baker and Saifur Rahman Khan jointly coordinated the workshop.

Clinton calls for unity to stave off global crisis

WASHINGTON, Oct 6: President Bill Clinton exhorted countries to work together to stave off the spreading financial crisis on Monday as he opened talks among 26 industrialised and emerging economies here, reports AFP.

"Clearly this is not a task for the G7 alone," Clinton told finance ministers and central bank governors alongside end-of-year meetings of the World Bank and International Monetary Fund (IMF). "This is an issue that affects every nation in the world."

"Every leading industrial economy has a role to play, including the United States by securing full support for IMF funding and Japan by moving quickly to revive its economy, he said.

Attending the meeting were Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, the Netherlands, Japan, South Korea, Malaysia, Mexico, Poland, Russia, Singapore, Sweden, Switzerland, South Africa, Thailand, Britain and the United States.



A floor trader bursts into a laughter while talking with her colleague during a morning session on the Tokyo Stock Exchange, as stock prices rebounded Tuesday. The benchmark Nikkei Stock Average of 225 selected issues rose 183.94 points to end the morning session at 13,132.06 points, recovering the important 13,000 mark, on optimism the Japanese government will come up with new measures to prop up the economy. — AP/UNB photo

Smuggled Myanmar salt becomes local producers' bane

COX'S BAZAR, Oct 6: Local salt producers have been faced with an unfair competition as low-cost salt smuggled from across the Myanmar borders swamped the markets, reports APB.

Sources in the industry complained about a huge stockpile of locally-produced salt that cost Tk 70-80 per maund against the Myanmar salt being sold at Tk 50-60 per maund.

The local salt farmers were often compelled to sell their produce at prices lower than their production costs, causing a large-scale default in repaying

their loans taken from banks and mahajans.

Salt is produced on some 40 thousand acres of land in five coastal thanas of the district every season, employing more than 50 thousand farmers.

Most of the farmers do not have land of their own and they usually produce salt on land taken on lease.

To meet the domestic demand, they produce about 8.5 lakh tons of salt a year, but the bulk of its remain unsold due to smuggling of the Myanmar salt, the sources said.

Most of the smuggled salt

come through land routes from Akiyab and Mongdu of Myanmar. But some also sneak in by cargo boats and fishing trawlers across the Bay, it was learnt.

Some 30 thousand farmers — 16 thousand enrolled in BSCIC list and 14 thousand from the salt growers associations — had been lent Tk 7 crore by six commercial banks in 1980-81.

Of the amount, they repaid only Tk four crore, leaving an outstanding amount of about Tk 16 crore in principal amount and interests, according to sources.



Ambassador of the Islamic Republic of Iran in Bangladesh Mohammad Sadegh Fayyaz (C) called on DCCI President R. Maksud Khan (R) at the DCCI office yesterday. They discussed matters relating to economic and trade cooperation between the two countries. — DCCI photo

ASEAN plans to open region to freer investment

MANILA, Oct 6: Southeast Asian trade ministers plan to sign an agreement this week opening the region to freer investment and speed up their plans for free trade despite Asia's ongoing financial crisis, officials say, reports AP.

In two days of meetings in Manila, the trade ministers from the Association of Southeast Asian Nations are scheduled to create an Asean investment area that will remove barriers to investment from Asean countries by the year 2010 and for non-Asean countries by 2020.

"We would like to encourage Asean countries to invest in each other," said Melito Salazar Jr., Philippine undersecretary of trade and industry. "We also want to make the Asean region

more attractive for investment."

Under the agreement, businessmen from one Asean country would be granted the same privileges in areas such as land ownership and investment rights as their counterparts in another Asean country in which they wish to invest.

However, the agreement is subject to exemptions in cases where a country's constitution limits equal treatment.

Investment in Southeast Asia has dropped sharply since the region's currency crisis hit 15 months ago, Salazar said the AIA is a bid to make the region once again "very competitive with a very transparent and attractive investment climate."

Most Asean members are

either mired in recession or grappling with sharply lower growth as a result of the currency crisis. Recent controls imposed by Malaysia on currency trading have also raised the specter of some of Asean's crisis-hit countries resorting to protectionist policies to shield their economies.

But Edsel Custodio, Philippine assistant secretary of trade and industry, said Asean members instead believe they should liberalise trade and investment more because of the crisis.

"It is important for Asean to continue with economic integration at this point, he said. "That's why we have AIA. Within Asean we see a solution to some of our troubles."

In 1997, inter-Asean trade

was valued at 148.9 billion dollars. Asean groups Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Another report from Jakarta says, Indonesia plans to push for a controversial plan to use regional currencies for regional trade when Southeast Asian trade ministers meet in Manila this week, an Indonesian official said Monday, reports AP.

"Indonesia at present is trying to enhance regional cooperation through using regional currencies," said the official, who spoke to Dow Jones Newswires on condition of anonymity.

The plan follows a dramatic

slide in the value of local currencies over the past year. Southeast Asian nations now trade among each other mostly using the comparatively expensive US dollar.

Indonesia's rupiah has been the worst hit of all the currencies in the region.

Trade ministers from the nine-member Association of Southeast Asian Nations are to meet on Wednesday and Thursday.

Economy, Finance and Industry Coordinating Minister Ginandjar Kartasasmita will lead Indonesia's delegation, along with Trade and Industry Minister Rahardi Ramelan and Investment Minister Hamzah Haz.

The official said it was un-