

SANYO
Colour TV
Sole Distributor in Bangladesh
Transfin Trading Limited
100, Kazi Nazrul Islam Avenue, Dhaka-1215
Tel: 815306-10, Fax: 813062

The Daily Star BUSINESS

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, SUNDAY, OCTOBER 18, 1998

British trade mission due in city today

A British Trade Mission will arrive today on a six-day visit to Bangladesh to help flourish bilateral trade ties between British and Bangladeshi companies, reports UNB.

The 24-member British team, the second this year, will be headed by Peter Lee of Mott MacDonald International, which is sponsored by the Southern Asia Advisory Group (SAAG) of the United Kingdom's Department of Trade and Industry.

The Trade Mission, representing 18 British companies, will call on the Minister for Commerce and Industry Tofail Ahmed on October 20.

Sponsored by trade bodies and the private sectors, the prime objective of this mission is to flourish bilateral trade ties and to create new business linkages between British and Bangladeshi companies.

The mission will also have meetings with the government officials and leaders of chambers and business community in Dhaka and Chittagong.

The focal point of the team is a day-long seminar on 'Doing Business in Bangladesh' and the 'Millennium Bug (Y2K Issue)' organised by the British High Commission.

The trade mission will leave for Dhaka for Britain on October 23, says a British High Commission press release.

Korean trade team arrives in city Oct 25

An 18-member Korean trade delegation arrives in the city on a three-day visit to Bangladesh on October 25.

The team from Chonbuk province, one of the important industrial centre in Korea, will try to establish new business linkages between the business organisations of the two countries, says a Korea Trade Centre press release.

Organised by Korea Trade Investment Promotion Agency (KOTRA), Dhaka, the objective of the trade mission is to stimulate and consolidate the expanding bilateral business ties between the two friendly countries.

The trade delegation, representing 12 Korean companies, will hold meetings with interested Bangladeshi companies on October 26 at the Pan Pacific Sonargaon Hotel Ball Room-1.

The Bangladeshi companies will have the opportunity to pursue their business interests with the visiting Korean counterparts in the following range of products: PVC pipe and chassis, fire proof doors, poultry machinery and equipment, thermo plastic splint for bone fracture, optical lenses, agricultural hand sprayer, door locks, card key, padlock for motorcycle, chemicals for boiler soot-free, water free, portable batcher auto plant, grain dryer, bulk dryer, rice processing plant, kitchenware, wooden kitchen sink, furniture and accessories, stone cookware, anti bacterial bio ceramic powder, speed adhesive for tile, tile cement, plug tray for plant nurseries, diamond sawing and polishing machine, disc blade.

Interested Bangladeshi companies who would like to have business meetings with visiting Korean trade delegation are requested to contact business consultants of Korea Trade Center, Dhaka.

The Korean business delegates will leave Dhaka for home on October 27.

9-member trade team off to Japan

A nine-member business delegation led by Executive Committee member of FBCCI Abdul Haque left here today for Japan to attend the three-day Global Business Opportunities Convention '98 in Osaka, said a press release, reports BSS.

The delegation include, among others, Syed Mohammad Shamsul Kaunain, SA Quader Keron, Jalaluddin, Matriur Rahman Dewan, Rahman and Mohammad Abdur Rahim.

China wants quick improvements in export structure

GUANGZHOU, Oct 17: China wants to accelerate improvements in the structure of its exports in a bid to increase its competitive ability in international markets, according to Sun Zhenyu, Vice-Minister of Foreign Trade and Economic Cooperation yesterday, reports Xinhua.

Sun told a seminar on international market strategies here that China has adopted some policies over recent years to support and encourage high and new technologies.

However, he added, China's technical exports with high added value merely accounted for 5.3 per cent of the total exports in 1997 and the country's traditional textiles and hardware could hardly cope with the world market demand.

China should try hard to increase the scale of highly technical products, improve the quality of traditional export goods, and develop more brand-name products, Sun said.

Russia due to go bankrupt next month, warns Lebed

MOSCOW, Oct 17: Would-be President Alexander Lebed warned yesterday that Russia is due to go bankrupt next month, when that state's moratorium on re-payments of commercial bank loans expires, Interfax reported, reports AFP.

"Very big trouble is going to begin on November 18," the day after the government's 90-day moratorium runs out, said Lebed, elected governor of the vast Siberian district of Krasnoyarsk last spring. "If we speak of the worst scenario, it would be the state's bankruptcy."

Facing state bankruptcy, Russia on August 17 announced a temporary freeze on payment of commercial bank loans and a de facto default of its short-term internal rouble-denominated debt, known as GKOS.

Russian officials and western bankers are due to begin negotiations in London next week on restructuring the GKOS into long-term dollar-denominated papers, Moscow said it hopes to announce a final deal by the end of October.

Lebed, a population ex-general who boasts limited knowledge of market forces, "predicted the government's commercial loan payment next month may lead to 'the arrest of foreign accounts and property, a financial blockaded and economic sanctions,'" Interfax reported.

But Russia in the end will survive its financial turmoil, Lebed said, "we always have to be hit on the head first in order to get up and get started."

Meanwhile, the IMF's top official in Moscow expressed concern yesterday over a Russian government plan to run a huge budget deficit for the rest of 1998, as the two sides prepared for further talks next week on vital loans.

Martin Gilman told AFP that an IMF team arriving in Moscow on Tuesday was expecting new proposals steeped in fiscal responsibility from the Russian side.

"The ball is in their court," Gilman said. "The programme that was negotiated is so off course now that in many areas we are going to be starting from scratch."

Asked if government plans to run a budget deficit in nine per cent of gross domestic product in the fourth quarter would be acceptable to the IMF, Gilman said "no it would not be."

He said that the IMF would not become a soft touch just because it has more reserves in the pipeline, following a 17.9-billion dollar pledge from the US Congress.

"I don't think it (the new funds) will have any major effect, as what we are still looking for is a coherent programme that will address Russia's urgent problem," Gilman said.

"The quality, urgency and difficulty of that package is not going to change because the IMF will have more resources at hand, Gilman added.

An IMF team is due to arrive in Moscow on Tuesday, but repeated rounds of talks since Prime Minister Yevgeny Primakov came to power have yielded no results.

Russia has insisted that it needs frozen IMF loans to put together a package to reverse its unprecedented financial crisis, while fund officials have warned of putting the cart before the horse, and insisted on seeing a credible package, backed by lawmakers, and concrete measure before they release funds.

Gilman elicited a glimmer of hope from increasing central bank reserves which have grown 1.3 billion dollars in the past three weeks. But questioned the restrictions over currency trading largely responsible for that increase.

"We also are concerned that while there has been liquidity in recent weeks, there still remains to formulate a coherent strategy on their monetary stance that will get them through," the official said.

The IMF led 22.6-billion dollars international bailout pledge for Russia in July. But after releasing a first 4.8 billion dollars tranche the fund froze further installments in the wake of the chaos which ensured the rouble devaluation and debt default announced in August.

Of the land, crops on 70 acres in three thanas were saved from the pest attack.

AED officials said under the programme, seven power sprayers, 27 hand sprayers, 24 hajak light, 300 sweep nets, 200 lanterns (hurricane) and 150 kg of insecticides have been distributed among the farmers.

Besides the AED officials organised several motivational meetings to educate the farmers on how to control BHP and distributed leaflets to make them aware about the pest attack.

AED under the supervision of the block supervisors, also formed a plant protection squad comprising five farmers from each union to protect the crops from the pest attack.

Consumer prices up 45pc in Russia

MOSCOW, Oct 17: Consumer prices have soared 45 per cent since Russia devalued the rouble and put off its foreign debts two months ago, according to Central Bank and government statistics, a news report said Saturday, reports AP.

A key architect of the Aug 17 devaluation and default plan, former Prime Minister Sergei Kiriyenko, said in an interview published Saturday that he was not to blame for the ensuing economic meltdown, and predicted things would only get worse.

Economic analysts with the interfax news agency said they calculated the consumer price estimate based on figures from the Central Bank and the State Statistics Committee. It gave no other details.

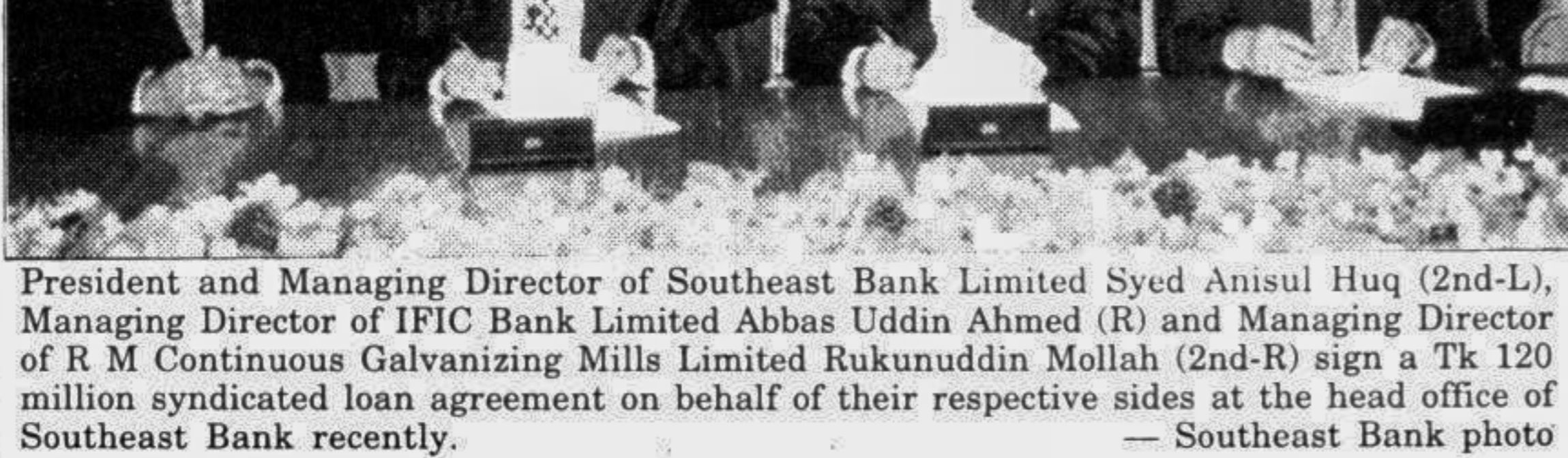
Prices jumped immediately after the crisis hit and imports — which Russia had come to rely upon for half its consumer goods — plunged. Basic foods have remained available and the government insists it does not expect shortages, though the lowest grain harvest in decades has aggravated concerns about feeding the world's largest country.

Kiriyenko said it wasn't supposed to turn out so badly. He told the daily Kommersant that the government that replaced him, widely seen as a compromise to appease President Boris

Yeltsin's hard-line foes, is not prepared "to take unpopular, harsh measures — and those are exactly what needs to be taken."

He said the 90-day moratorium on debt repayments declared Aug 17 was supposed to be followed up with an agreement on repayment terms within 60 days — a period that ended Saturday with no such plan.

With the debts to come due in a month, the government has yet to announce how it will tackle Russia's worst economic crisis since the 1991 Soviet collapse. Russian negotiators held talks on restructuring the debts with western bank creditors in London this week but failed to reach an agreement.



President and Managing Director of Southeast Bank Limited Syed Anisul Huq (2nd-L), Managing Director of IFIC Bank Limited Abbas Uddin Ahmed (R) and Managing Director of R M Continuous Galvanizing Mills Limited Rukunuddin Mollah (2nd-R) sign a Tk 120 million syndicated loan agreement on behalf of their respective sides at the head office of Southeast Bank recently.

Prices of oil down, sugar up; demand for tea low

LONDON, Oct 17: Brent North Sea crude prices fell back under 13 dollars a barrel in London this week to 12.58 dollars on the latest figures showing a glut in world supply, reports AFP.

In New York, light sweet crude fell to a six-week low, at 14.03 dollars a barrel, down two cents, but far off its plunge of 18 cents on Wednesday.

Investors were hit by figures from the American Petroleum Institute showing a rise of 8.2 million barrels in stocks in the week ending October to 327.35 million barrels.

The high stocks meant that prices were not affected by problems hitting production of 500,000 barrels a day at Shell and Agip in Nigeria.

This was also offset by the resumption of production of 250,000 barrels a day at the Norwegian offshore platform of Ekofisk after a one-day closure on Monday due to a fire.

Salomon Smith Barney said the US stocks figures meant that crude prices may hardly rise before the end of the year, it also downgrade its recommendations on stocks of BP, Elf Agutaine and Otaf.

Use of US refinery capacity fell 0.5 per cent to 87.5 per cent its lowest level in four years, with refineries close by problems connected to recent tropical storms in the southeast and seasonal maintenance work.

One price-supportive factor, said Anthony Machacek at Credit Lyonnais Rouse, is the fall in US stocks for unleaded petrol by seven million barrels to 198.95 million barrels.

Rubber: Bouncy. Rubber prices rose slightly this week after heavy rain disrupted production in Thailand and a strengthening of Asian currencies against the dollar.

Trading volume was very low ahead of next week's meeting of the international Natural Rubber Organisation, which manages rubber reserves, and which Thailand and Malaysia have threatened to quit.

On the London market, the rubber index held at 497.5 pounds a tonne.

The RSSI index in Kuala Lumpur rose to 2.78 ringgits a kilo from 2.72 ringgits.

Sugar: Sweet. Sugar prices rose this week despite Indonesia's cancellation of a recent order for 100,000 tonnes of unrefined sugar, as well as Brazil's shake-up of the sugarcane alcohol industry.

Despite the Indonesia cancellation, due to poor demand, prices were buoyed by the announcement of Queensland Sugar Corp in Australia that flooding and heavy rain had reduced its 1998 production by more than had been expected.

Prices also proved immune to the Brazilian government's

plan to liberalise the sugarcane alcohol sector, which used to provide the main car fuel for the country. But is now used by fewer cars.

The liberalisation is likely to lead to less alcohol and more refined sugar being produced, adding to market supply.

Sugar for March 1999 ended the week at 225.9 dollars a tonne, up 7.1 dollars.

Vegetable oils: Hopeful. Soy prices rose this week on the prospect of US government aid for the agricultural sector that will allow farmers to stock production while they wait for prices to go back up.

Prices have been under pressure from plentiful supply and limited storage capacity.

On the Chicago Board of Trade (CBOT), soy rose 16 cents to 5.56 dollars a bushel of 27.2 kilos for November delivery.

On the Rotterdam market, palm oil fell 7.50 dollars a tonne to 677.50 for January-March. European sunflower oil was unchanged at 640 dollars a tonne for December-January.

Groundnut oil fell 10 dollars a tonne for October-November. Rapeseed oil fell 4.75 guilders to 110.50 for 100 kilos for November-January.



Floor dealers pause during an afternoon session on the Tokyo Stock Exchange Thursday. Amid rumours that a major Japanese brokerage is facing massive losses, Tokyo stocks fell for a third straight day Thursday.

Bid to check pest attack on crop in Sherpur

SHERPUR, Oct 17: District Agriculture Extension Department (AED) has taken up a special programme to check the pest attack on a vast tract of land in five thanas here, says UNB.

Official sources said a total of 109.5 acres of land came under the attack of BHP locally known as 'Badami Ghas Phoring'.

Finance Minister Kijichi Miyazawa said he was "very surprised" by the Fed's decision Thursday, saying he expected a rate-cut to come only around November.

Miyazawa said the Fed now felt "market psychology has changed from a risk-taking stance to a risk-aversion stance", but added that European nations were unlikely to follow suit.

"I think Europe does not want to make waves ahead of the integration of the euro," he said.

Japan's monetary policy would not change, he said. The Bank of Japan cut its overnight call rate to 0.25 per cent from around 0.4 per cent last month, but its record low 0.5 per cent discount rate has stayed unchanged for the past three

Asia hails US Federal Reserve rate cut

HONG KONG, Oct 17: Surprised Asian officials today welcomed the US Federal Reserve's decision to cut interest rates for the second time in two weeks, which sparked big gains on regional markets, reports AFP.

"We welcome the move if this brings positive results to the US and global economies," Japanese Prime Minister Keizo Obuchi told reporters in Tokyo.

The Hong Kong stock market zoomed nine per cent to a near five-month high, ahead of a meeting of bankers who cut deposit rates by 25 basis points in a prelude to a prime rate cut.

Tokyo stocks closed 2.2 per cent higher, buoyed by gains on Wall Street following the Fed move. Australian share prices gained 2.1 per cent.

Sugar mills in Natore may suffer output setback

NATORE, Oct 17: Natore Sugar Mills and North Bengal Sugar Mills — the highest profit-earning sugar mills of the country — may suffer setback in production during the current crushing season as the growers started selling sugarcane to illegal power crushers in fear of loss, reports UNB.

Sources said small growers are selling their sugarcane to the power crushers on cash payment at a nominal price as sugarcane on about 20,000 hectares of land under the two mills are dying due to the recent flooding.

They said massive attack by 'majra pest' on sugarcane in the areas has aggravated the situation.

Officials said Natore Sugar Mills had set its production target at 20,000 tonnes of sugar by

crushing 2,35,000 tonnes of sugarcane while North Bengal Sugar Mills fixed the target at 25,000 by crushing 2,50,000 tonnes of sugarcane in the coming season.

According to the officials, 1040 power crushers in the zone — 765 in Natore Sugar Mills and 275 in North Bengal Sugar Mills areas — are crushing 3-4 tonnes of sugarcane everyday to produce molasses.

If the situation continues, the two sugar mills would be forced to suspend their coming crushing programme 1998-99, earlier scheduled to begin on October 23.

In the last season, the Natore Sugar Mills had made a profit of Tk 2.20 crore while the North Bengal Mills Tk three crore after depositing about Tk 100 crore to the government's exchequer.

Software show at IEB on Oct 24

An exhibition on software produced locally by members of the association and IT professional engineers has been arranged by the Self-employed Engineers, Owners Association with the official cooperation of The Institution of Engineers, Bangladesh (IEB) at the IEB auditorium at 10 in the morning on October 24.

Tofail Ahmed, Minister of Commerce and Industry, will inaugurate the exhibition.

The exhibition will be opened to public from 12.00 noon to 7.00 PM, says a press release.

Professor Engr Jamilur Reza Chowdhury, Professor MA Hannan, President, IEB, Syed Alamgir Faroque Chowdhury, Secretary of Commerce, and Dr Mohammad Kaykobad, Professor and Head Computer Science and Engineering Department, of BUET, will be present as chief guests.

SEEGA members and other IT professional engineers can participate in the exhibition.

Essential prices up in Sylhet

SYLHET, Oct 17: The prices of essentials have shot up in the district in the aftermath of the devastating deluge causing sufferings to the low income group of people, reports UNB.

Disruption of road communication caused by the prolonged flood was said to be the main reasons behind the price spiral.

Sources said although the road communication with the capital and other parts of the country restored, but no trend is visible to come down the prices of daily necessities to the normal level.

According to a market survey, per kg fine quality Kataribhough rice is selling at Tk 22, Pajom Tk 18, Malashail Tk 15, Akainshail Tk 16, local IRRI Tk 14, imported one from India Tk 13.50 and Boro Tk 16.

Besides, the per kg onion is being sold at Tk 35, Masur pulse Tk 40, red chili Tk 45 to Tk 100, garlic Tk 44 to 95, per litre Soybean Tk 52, dula Tk 64, butter oil Tk 210, per kg ginger Tk 40 and sugar Tk 33 to 34.

On the other hand, beef is being sold per kg at Tk 100, mutton Tk 120, eggs Tk 36 per dozen and per litre milk Tk 24 to Tk 26.

The prices of vegetables are also going high due to shortage of supply in the market.

Emirates starts global marketing campaign this month

Emirates Airline this month kicks off a global marketing campaign to some of the world's most important travel marts and fairs, says a press release.

The campaign will reach thousands of key industry leaders with business potential worth billions of dollars.

From the Middle East to the USA, Emirates will tell the world of its expansion strategies that underscore its efforts in promoting Dubai as world-class destination for leisure, incentive and business travellers.

In October alone, airline executives will traverse the globe to six major events in the USA, France, Malaysia, Bahrain and Switzerland. These include USA's 65th annual Incentive Travel Meeting Executives in Chicago and the 68th annual ASTA World Congress in Los Angeles, that will expose Emirates to more than 35,000 corporate meeting planners, incentive houses and travel industry professionals.

The drive for incentive business continues in late October with two major events: Asia's premier show, the IT & CMA in Kuala Lumpur and Switzerland's most important travel event, TTW Montreux.

Arabia Adventures, Destination Management Company and a division of Emirates, will have the opportunity to showcase its broad range of expertise and services to incentive and corporate planners from all over the world. Other October marts are Bahrain's Gulf '98 and France's EVP Workshop.

November highlights London's World Travel Market — one of the year's most important travel marts attended by Emirates. This will be Emirates Group's 10th year at WTM, a decade marked by celebratory award ceremonies and numerous launches.

This year's WTM will spotlight Emirates' new fleet — the A330-200s which will start to arrive in January 1999 — and the A340-500s which will be delivered from 2002.

The Al Maha Resort, Emirates' owned and now being developed, will be another key element for tour operators sourcing new and exclusive products. It is a 3,300-acre all-suite ecotourism project due for completion in early 1999. The first of its kind in the UAE, Al Maha offers the perfect sanctuary and a unique holiday experience.

Emirates Holidays, the Gulf region's largest wholesale tour operator, shows, off a new line of brochures for 32 destinations and 1,000 vacation products.