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**FAO-WFP flood assessment report**

**Food deficit to narrow down in second half of this fiscal**

Star Business Report

The country's food deficit, caused by the prolonged deluge, is now expected to be narrower during the second half of this fiscal year, according to a report prepared by a joint mission of FAO and WFP.

The mission, which was assigned to assess the food supply situation and forecast food production, import requirements and food aid needs for 1998-99, released its report saying that the prospects for boro rice and wheat are generally favourable, which will narrow down the deficit.

There are strong incentives for farmers to cultivate larger areas and to manage them more effectively. In addition, siltation in some areas will improve fertility and the costs for irrigation will be reduced due to the high water table and replenished aquifers resulting from both floods and heavy October precipitation, said the report.

The FAO-WFP mission fore-

casts a tentative production of 8.4 million tonnes of boro rice, three per cent higher than that of last year, and two million tonnes of wheat, a year-on increase in production by 10 per cent.

The mission report, however, noted that food situation improved from losses in ams and aman seasons was extremely serious in the flood-affected areas. "For the six months till end-1998, the national deficit between net production and consumption requirement is 2.3 million tonnes or 22 per cent of the requirement. But in the flood-affected areas, the situation is worse," said the report.

It estimated the total ams and aman production loss at 2.2 million tonnes. This estimate is little higher than that of two million tonnes loss as calculated by the Ministry of Agriculture in late October.

It said the food deficit for the second half of the 'marketing year' would be 1.3 million tonnes, thereby, making the deficit for the full year ending in June, 1999, at 3.6 million tonnes. Against this cereal deficit, the government would buy one million tonnes while the private sector will go for 1.5 million tonnes. Meanwhile, there are aid pledges for 1.2 million tonnes.

Regarding food prices, it noted that "Prices, though high, have only seen a rather modest rise (15-20 per cent) since the floods." The mission expected that prices would remain stable as the aman harvest gets underway in December.

The mission forecasts 1998-99 total rice production at 17.55 million tonnes (on milled basis), some 1.3 million tonnes or seven per cent less than that of last fiscal year.

After covering 40 out of 64

districts during its fieldwork extending over one week time, the mission came to the conclusion that "emergency food assistance must target all areas affected by the floods and no distinction should be made between the directly and indirectly affected people.

It is also important that the major part of the food aid, which predominantly will be provided in the form of wheat, should be distributed speedily to avoid further asset depletion and to reduce possible negative impacts on markets," the mission said.

After the immediate emergency food needs for direct consumption, the report said, the predominant role of emergency food assistance would be to assist vulnerable households in order to allow them to rebuild their assets and to invest in future income generating activities.



Model Barbara waves from the Giseh Roadster, a driving pyramid, in the streets of Essen, western Germany on Wednesday. This car and other funny motor cars will be on display at the Essen Motorshow that takes place from November 27 until December 6. The Giseh Roadster's body is made of wood and is powered by a Volkswagen beetle engine.

— AP/UNB photo

**Business Briefs**

**Myanmar to issue 1000-kyat banknotes**

YANGON: The Central Bank of Myanmar will put 1,000-kyat banknotes into circulation beginning Nov. 25, state-run newspapers reported Thursday. The new notes will be the highest denomination banknotes in Myanmar.

The 1,000-kyat note — worth about \$160 at the official rate of exchange, but only about \$3.10 on the free market — is green with a lion as its main motif.

The existing banknotes and coins in denominations of one, five, 10, 20, 45, 50, 90, 100 and 500 kyat will continue to be legal tender. The 20-, 50-, 100- and 500-kyat notes issued in 1994 also have a lion as their main motif, unlike earlier notes that have Myanmar's independence hero, Gen. Aung San, and two other patriots pictured on them.

Myanmar's pro-democracy leader Aung San Suu Kyi, a bitter critic of the current military regime, is the late Aung San's daughter.

**Japanese trade surplus surges**

TOKYO: Japan's trade surplus with the rest of the world rose for a 19th straight month in October, surging 23.9 per cent compared to a year ago, the government said Thursday.

The merchandise trade surplus, a measure of goods which pass customs, grew to a non-seasonally adjusted 1.37 trillion yen (\$11.33 billion) last month, the Finance Ministry said.

The surplus was slightly higher than the 1.32 trillion yen (\$10.93 billion) average forecast of Tokyo-based economists surveyed by Dow Jones Newswires.

The growth in the trade surplus was expected to continue in the coming months, said a Finance Ministry official who declined to be named.

The steady climb in the surplus reflects consumers' reluctance to spend amid Japan's worst recession in decades. That has cut demand for imports and made Japanese manufacturers increasingly reliant on sales overseas.

Despite the continued expansion in the trade surplus, the ministry said exports fell 5.7 per cent in October — the first year-on-year drop in five months.

**Auto output, sales fall in Japan**

TOKYO: Domestic auto production and sales at Japan's leading automakers in October fell from year-earlier levels, hurt by the economic recession at home and in Southeast Asia. Japan's No. 1 automaker, Toyota Motor Corp., said domestic production fell 12.1 per cent to 285,576 vehicles, as sales slumped 17 per cent to 141,897. At Nissan Motor Co., production fell 6.4 per cent to 129,094, and sales tumbled 14 per cent to 61,857.

Honda Motor Co said its output fell 3.7 per cent to 114,714, as sales sank 20.4 per cent to 55,794. And Mazda Motor Corp. said its production declined 5.9 per cent to 68,789, as sales skidded 7.1 per cent to 22,631 vehicles.

Mitsubishi Motors Corp. was the one bright spot among the top five automakers, reporting increases in both production and sales. Mitsubishi's output rose 11.5 per cent to 104,837 vehicles, as sales also rose 11.5 per cent to 45,348 vehicles.

Exports were not much better in October. Toyota said exports declined 13 per cent as shipments to Europe and Asia fell. The company's overseas production, however, rose 20 per cent thanks to steadily expanding output at its operations in the United States, Canada and Britain.

**Solid to close plant in Philippines**

MANILA: Solid Group Inc., a consumer electronics product manufacturer, said Thursday it will close an audio products factory because of falling demand, particularly for Sony Corp. brands.

The audio plant in Quezon City, which will be closed Nov. 30, is a joint venture between Solid Group and Japan's Sony Corp.

Solid group said another subsidiary, Solid Laguna Corp., will take over the production shortfall that may result from the closure of the audio products factory. The company also assembles Aiwa Co. brands.

It did not say how many workers will be affected by the closure.

**Hyundai to repair its cars in Australia**

CANBERRA: South Korean carmaker Hyundai has agreed to repair as many as 46,000 of its Excel cars sold in Australia which might have a faulty suspension.

The cars, which were made in South Korea between August 1994 and March 1996, could have defects in underbody welds.

The Australian government took an interest in the case after local auto clubs complained that the company was not prepared to recall the cars. The company said last week it would not be railroad into taking inappropriate action.

— AP reports

**Dhaka wants next WTO DG to favour LDCs**

Commerce and Industries Minister, Tofail Ahmed, has said Bangladesh as the coordinator and spokesman of LDCs likes to see that new chief executive of the WTO will look after the causes of LDCs including duty-free access of their products and services to the markets of developed and relevant developing countries, reports BSS.

He was talking to the visiting former prime minister of New Zealand Mike Moore MP who is one of the four candidates to succeed Renato Ruggero, the Director General (DG) of WTO by December next, the other three candidates are from Thailand, Canada and Morocco, according to the charters of

WTO. DG will be elected on the basis of consensus among the member countries.

Tofail Ahmed said the LDCs have further marginalised in implementing the obligations of the GATT and now WTO agreements. He said the developed countries have promised to take various compensatory measures in favour of LDCs to increase trade capacity and market access of LDCs. But most of the commitments are yet to be fulfilled, he observed.

The minister said Bangladesh has made tremendous progress in RMG sector and we have eliminated child labour from this sector. If we could get duty-free access as expected in the third WTO confer-

ence in 1999, our RMG, frozen food, leather and agricultural sectors will be able to attain competitive edge, he hoped.

The minister said, our exportables are facing tariff and non-tariff barriers of many countries but we have withdrawn import restrictions from almost all products. He said, we are expecting that the WTO will look into the problems and enable the LDCs to move forward for economic prosperity.

Mike Moore responded very positively to the plights of LDCs and endorsed that many countries have imposed restrictions on many items, which should be resolved and WTO has enormous role at this end.

**Govt may change financial year**

Foreign Minister Abdus Samad Azad yesterday hinted that the financial year might be changed in future to 'suit our climate,' reports BSS.

The colonial masters fixed July-June as the financial year without giving any consideration to the specific nature of our climate and the environment," Azad told a news briefing at the Ministry of Foreign Affairs.

He said this in reference to a request made to the donors to extend assistance for flood relief. "I have told them (donors) to send, whatever they want, now that the dry season has begun as it's the ideal time to work in Bangladesh," Azad told the Japanese officials during his recent visit there.

Azad said beginning of the financial year now in practice (July) might be advanced to March or February.

**Ctg Int'l Trade Fair begins today**

CHITTAGONG, Nov 19: Chittagong International Trade Fair-1998, organised by Chittagong Chamber of Commerce and Industries (CCCI), begins tomorrow, reports UNB.

Commerce and Industries Minister Tofail Ahmed will inaugurate the two-week long fair at the city's Polo ground at 3 pm.

Some 350 stalls, including 22 pavilions, have been set up as 22 companies from eight Asian countries are taking part in the fair.

The countries are China, Pakistan, India, Iran, Afghanistan, Hong Kong, Malaysia and Singapore. CCCI has fixed the target of selling goods in the fair at Tk 25 crore, which is Tk 14 crore higher than the previous year.

**Tofail, Holzman hold talks on increased trade**

US Ambassador John C Holzman called on the Commerce and Industries Minister Tofail Ahmed at his office yesterday, says APB.

They discussed matters relating to bilateral interest with special reference to increased trade and investment links between the two countries.

The Minister requested the US envoy to use his good offices in attracting more US investment to Bangladesh, said an official release.

**Three-day MIDAS trade fair begins in city**

Star Business Report  
A three-day MIDAS Trade Fair '98 for women entrepreneurs began in the city yesterday with a view to promoting and marketing their products.

The fair was inaugurated by French Ambassador to Bangladesh Renee Veyret at MIDAS premises. Director of MIDAS Rokia A Rahman and Managing Director Abdul Karim were also present at the inaugural ceremony.

Fifty small and micro-level women entrepreneurs have set up 45 stalls displaying a wide-variety of handicrafts including garments, and wall decoration pieces. The fair attracted a good number of visitors on the very first day. The fair begins at 10 am and continues till 7 pm on the second and final day. MIDAS also organised two such fairs in 1996 and 1997. MIDAS was established in 1982 and is engaged in the promotion and development of micro and small enterprises in the country to generate self-employment. It has, so far, disbursed more than Tk 500 million to about 1200 small and micro enterprises of which more than 300 are women entrepreneurs.



The Board of Trustees of Transparency International - Bangladesh Chapter led by its Chairman, S H Kabir, met the committee members of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) at its office Wednesday.

**Manpower export falls**

**Global downturn downs FDI in Bangladesh: Japanese envoy**

The recent global economic turmoil has resulted in reduction of Bangladesh's manpower export and a fall in foreign direct investment in the country, said the Japanese envoy in Dhaka, reports APB.

Ambassador Yoshikazu Kaneko said Bangladesh should maintain sound macro-economic management, improve major financial sector reforms, ensure political stability and create trained labour and managerial personnel to forestall those adverse effects.

He made the observation at a seminar on "East Asian Economic Crisis and Human Resource Development: Japanese Perspective" at Sonargaon Hotel yesterday.

Referring to "temporary

showdown" of Japan's economy, Ambassador Kaneko said this was not going to affect his country's relations with Bangladesh.

He, however, said that Bangladesh's economy was in a better position despite the recent financial crises in the East Asian countries.

Japan Study Centre (JSC), Dhaka University and Japan Embassy jointly organised the seminar. DU Vice-Chancellor Prof A K Azad Chowdhury attended as chief guest.

Kaneko expressed his optimism that the business cycle in Japan would inevitably pick up because the overall fundamentals of the Japanese economy were not in bad shape at all as widely reported by the media.

"Since no country is eco-

nomically isolated from the rest of the world today, Japanese economic condition naturally affects the relations with other nations, particularly developing countries."

"Right now I don't see any damage caused to our foreign relations," the envoy said. Prof Kokichi Shoji of Tokyo University presented a paper on "East Asian Economic Crisis: A Japanese Sociological View," while Prof Kazuo Koike of Hosei University presented paper on "Human Resource Development in the Shop-Floor in Japanese Industry" in the seminar.

Presided over by JSC Chairman Prof Akur Rahman, the seminar was addressed, among others, by Yukimi Muramatsu, Cultural Secretary of Japanese Embassy.

**Farmers face onion seed crisis**

JHENIDAH, Nov 19: The production of onion in the current season is feared to be hampered due to non-availability of seeds in the onion growing areas of the country, says UNB.

Onion producers in western and southwestern zones of the country have been facing the crisis as they could not store it during the last season due to unfavourable weather.

The country has a demand of four lakh metric tons of onion as against a production of about two lakh metric tons, said different sources. There is always a deficit of the product used mainly as spice.

The target of onion cultivation was fixed at about one lakh hectares of land across the country and a total 750 tons of seeds are necessary for achieving the target, said agriculture sources. But Bangladesh Agriculture Development Corporation (BAD) has seeds that can only be able to cover 5,000 hectares of land.

Taking advantage of the situation, a section of business-

men have been importing sub-standard seeds from neighbouring India causing production shortage every year.

The main onion producing districts include Pabna, Rajshahi, Faridpur, Jhenidah and Rajbari also suffer from shortage of onion seeds due to production shortage last year.

Sources said seed is being sold between Tk 2,200 and Tk 2,500 per kg in different rural markets of the district making it difficult for the onion producers to continue their cultivation. The price of seed never exceeded Tk 300 per kg in the past, said the growers.

On the other hand, they said, seeds of Indian variety are being sold at Tk 600/700 per kg. But the agriculture experts said the seeds smuggled into the country from India are of different varieties of onion with more fluid component and are being used as vegetable instead of spice.

Agriculture officials said the target of onion cultivation in 10 southwestern districts was

fixed at 7,200 hectares of land, but they feared that the target might not be achieved due to the seed shortage.

The cultivators are increasingly becoming dependent on the substandard Indian seeds shattering the prospect of better production, they said.

**Sub-standard Indian seeds**

An APB report from Pabna says: Sub-standard onion seeds from India are being smuggled to Bangladesh through different border areas in view of its great demand in the country.

A section of smugglers has been bringing onion seeds from different Indian states including Rajasthan, Nashik and Bihar and distributing them throughout the country, local sources said.

When contacted, agricultural officials said that the onion seeds so smuggled were of low quality and were not suitable for our soil.

**Top Russian official warns of nat'l catastrophe**

MOSCOW, Nov 19: With a mission of the International Monetary Fund back in town Wednesday for talks on more loans, a top Cabinet member warned that Russia is facing "national catastrophe," reports AP.

Deputy Prime Minister Yuri Maslyukov warned that inflation would spiral out of control next year unless the government reaches an agreement with its creditors to reschedule some of the \$17 billion in foreign debt payments due in 1999.

"If we succeed to restructure just a half of this amount, we will manage to keep the impact on inflation and industrial

output within reasonable limits," he said in an interview with the business daily Kommersant.

"If the current government fails to stabilize the economic situation, we will be facing a national catastrophe that would write off the free-market economy, democracy and the territorial integrity of Russia," he said.

Russia is facing its worst economic crisis since the Soviet collapse. Last month, 42 million Russians, or 29 per cent of the population were living below the official poverty line of 644 rubles (just under \$40), compared to 31 million (21 per

cent) a year ago, the State Statistics Committee said.

The economy has continued to contract with industrial production falling 11 per cent last month, it said.

The Russian government has been pushing the IMF to release the next installment of a frozen \$22.6 billion aid package, saying more loans are vital to paying off huge domestic and foreign debts.

Russian Prime Minister Yevgeny Primakov pushed for more IMF loans at meetings this week with visiting German Chancellor Gerhard Schroeder in Moscow and with US Vice President Al Gore.

**APEC summit ends but bitter American aftertaste remains**

KUALA LUMPUR, Nov 19: US Vice President Al Gore bolted for the airport only minutes after the end of a disastrous Pacific Rim trade summit, reports AP.

Not a minute too soon for many Malaysians.

The day after his hasty departure, Gore continued to ruffle many Malaysian feathers on Thursday. Those feathers also belong to several prominent opposition figures for whom Gore may have thought he was lending support.

On Monday night, Gore praised Malaysia's anti-government protesters, calling them "brave" for their struggle

to demand democracy. Problem is, those same protesters want an end of the 17-year leadership of Prime Minister Mahathir Mohamad.

Making matters worse, Gore made his speech in front of Mahathir and several other prominent Asian leaders, then walked out of a banquet in his honour.

"Ill-bred" and "ignorant" were among the latest slaps in the headlines of the government-backed dailies Thursday.

"Gore may be totally ignorant or he just does not care," wrote Abdul Kadir Jasin, editor of the New Straits Times. "He shot from the hip, hit us below

the belt and bolted after attacking us in what he later called a "message of democracy."

Small Malaysian flags have been distributed by ruling party activists who are calling on citizens to put them on their cars as a sign of solidarity with Mahathir.

Gore had been filling in for President Bill Clinton, who missed the two-day Asia-Pacific Economic Cooperation summit in the Malaysian capital because of the US-Iraqi showdown.

The Star daily carried a three-column article with comments by ordinary Malaysians — all of them trash-

ing the man who hopes to succeed Clinton.

"America should not throw its weight around because it has money," said C H Chew, a Malaysian businessman.

Karpal Singh, national deputy chairman of the opposition democratic Action Party, expressed regret over Gore's speech.

"No doubt the country needed reforms, but for the US vice president to have said so at the function, was not the right place and time," he said.

In Kota Baharu, chief minister of the opposition-led Kelantan state, Nik Abdul Aziz Nik Mat, told the national news

agency Bernama that Gore's support for the reform movement was disrespectful.

"Visitors should respect the host. If there are bad things they should at least keep quiet but the United States does not know how to respect other people," Nik Abdul Aziz said.

Those bad things — depending on which side you're on — include the firing, jailing and criminal charges against Deputy Prime Minister Anwar Ibrahim and the string of anti-government protest that his arrest has provoked.

Several Asian governments have accused Gore of meddling in internal matters.

"The Chinese people and the Chinese government would never, ever make irresponsible remarks on other countries' internal affairs," Chinese Foreign Minister Tang Jiaxuan told a news conference Wednesday.

Though Mahathir has stayed above the fray, not making any significant comment on the flap, his Cabinet ministers have trashed the American vice president.

But the leaders final statement offered no new programmes, apart from \$10 billion support plan announced separately by the United States and Japan.