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### SEC approves Margin Rules

The Securities and Exchange Commission (SEC) at a meeting yesterday approved the Draft Margin Rules, 1999, reports APB.

The rules have been formulated to expedite proper administration of the margin/credit facilities usually extended by the stock brokers to their clients and to enhance liquidity in the stock market business.

The rules will be effective from the date of gazette notification and be available on SEC Web site soon, a SEC press release said.

The meeting also approved some amendments to the Public Issue Rules, 1998. Under the amendments the issuer shall also put the vetted prospectus on the Web site of the SEC for the period of subscription of the issue. Issuer shall provide a copy of the vetted prospectus, prepared in MS Word 97 in a floppy disk to the commission.

In case an IPO application is incomplete, the SEC shall inform the applicant in writing of the matter, generally within 15 working days of receipt of the said application.

All new issuers shall henceforth be required to affix a hologram on the share certificates it issues.

The amendments will also be effective from the date of gazette notification, the release added.

### PDB, Samsung sign accord on Khulna project

Bangladesh Power Development Board (PDB) signed an agreement with Samsung

for augmentation of power supply under Greater Khulna Power Distribution Project, says a press release.

The total project cost is estimated at Tk 38.75 crore of which Tk 34.75 crore in foreign currency will come from Export Import Bank of South Korea under EDCF loan. The Bangladesh government has allocated the rest four crore taka.

Under the contract, one 33/11 KV new substation, renovation of five 33/11 KV substations, construction of 21 KM of 33 KV line and one KM of 33 KV underground cable will be constructed on a turn-key basis within the next 18 months in Khulna, Bagherhat and Mongla areas.

The South Korean government has shown interest in financing the balance part of the project. Upon implementation of the contract, considerable improvement of power distribution will take place in the areas, said the release.

### IFC invests \$10m in IPDC

The International Finance Corporation signed agreements to invest US\$10 million in the Industrial Promotion and Development Company (IPDC), Bangladesh's first private sector development finance institution, says an IFC press release.

The project will alleviate the acute need for long-term finance for domestic private sector companies including small and medium-sized enterprises. IFC will also provide advice on IPDC's capital structure. In addition, IFC will provide training assistance to help IPDC improve its internal and institutional capabilities in portfolio management, credit appraisals, and risk management. This assistance is made possible through a trust fund grant from the Netherlands Minister for Development Cooperation.

IFC Manager Hany Assaad said that, by extending its role beyond financing, IFC is helping IPDC to strengthen its capital base, reform its activities, and develop into a more diversified financial institution.

IPDC was established in 1982 by the Aga Khan Fund for Economic Development, the Commonwealth Development Corporation, the German Investment and Development Company (DEG), the Government of Bangladesh, and IFC. IPDC has become a pre-eminent financial institution providing a range of financial products including long-term debt and equity financing, leasing and working capital loans.

### Sony income plunges 20 pc

TOKYO, Apr 28: Suffering from recession at home and abroad, Sony Corp. said Wednesday that net income plunged nearly 20 per cent in the last fiscal year and forecast an even steeper drop this year, reports AP.

The Japanese electronics giant said consolidated net income for the year ending March 31 was 179 billion yen (\$1.5 billion), down 19.4 per cent from 222.1 billion yen (\$1.9 billion) in the previous year.

The company painted an even grimmer picture for the current year, forecasting that consolidated net income will plunge 39 per cent to 110 billion yen (\$922.8 million) by March 31, 2000.

For the year just ended, sales and operating revenue gained 0.6 per cent, from 6.76 trillion yen (\$56.7 billion) in the fiscal year ending in 1998 to 6.79 trillion yen (\$57 billion) in the year just ended.

## 'Bangladesh can be our gateway to int'l markets'

# Mizoram wants to buy gas

Mizoram, a small Indian hill state, wants to buy gas from Bangladesh to protect forecast resources, its chief minister Zoramthanga said here yesterday, reports UNB.

"We need gas very badly," Zoramthanga said while exchanging views with Bangladesh business community leaders. Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) organised the meeting at its conference room with its vice president M A Mumin in the chair.

The Mizoram chief minister said a water link between Mizoram and Chittagong Hill Tracts through Karnaphuli river via Kaptai lake will help the landlocked Indian state to use Chittagong port as its gateway to external world.

Besides, he said, such a water link through Kaptai lake will make both way trades easier and cheaper. "Karnaphuli offers excellent vehicle for cross-border trade."

The rebel-turned-Chief Minister, accompanied by the state's Chief Secretary H V Lalringa, travelled to Dhaka to look for areas and opportunities for mutual cooperation in

the fields of commerce and industries and other economic activities.

Before meeting FBCCI leaders this afternoon, they called on Prime Minister Sheikh Hasina and Commerce Minister Tofail Ahmed and were scheduled to meet Foreign Minister Abdus Samad Azad later in the day.

Highly optimistic over having better economic and trade ties with Bangladesh the former rebel leader said, "Now we have got peace and you've also got peace in Chittagong Hill Tracts. We can now start the business."

The chief minister said historically, Bangladesh, specially the CHT, has always been the lifeline for Mizoram economy.

But economic lot of the state suffered as traditional access to Chittagong port by Karnaphuli river route was closed with Pakistan and India attaining independence, he pointed out.

He said Mizoram badly needs to import pharmaceuticals, ceramic, rubber and plastic shoes and jute products.

"We can bring down here agriculture and horticulture products for Bangladesh to process and market those world-

wide through Chittagong port."

The chief minister said Mizoram now exports ginger to Bangladesh and it able to supply huge quantity of agriculture, horticulture and forest products that base the Mizoram economy.

"You be our main gateway to international markets. You can process our raw materials," said Zoramthanga for whom this is the first visit to Bangladesh as the Mizoram chief minister.

But he visited this country many times as the leader of Mizo National Front that rebelled for 20 years since 1966.

The MNF President recalled his days of underground stay in Bangladesh and his meeting with Bangabandhu in 1970.

With its huge agricultural and forest resources, 95 per cent literacy rate and peaceful environment, the small Christian majority state is poised for making faster progress than its neighbouring states of India, the Mizoram Chief Minister said.

He listed bamboo, cane, chillies, sesamum, cotton, passion fruit and citrus fruit as items to be imported from Mi-

zoram while fish, poultry, cement, cattle, cosmetics and salt to be among the exportables from Bangladesh.

"Karnaphuli Paper Mills depend on bamboo from Mizoram, which come illegally and neither Bangladesh government nor Mizoram earn any revenue from it," he said, calling for formal cross-border trade.

Inviting FBCCI delegation to Mizoram, he said, "The more you explore, the more you find out possibilities."

Replying to a question, Zoramthanga said Indian central government is not reluctant, rather it is very much positive in expanding cross-border trade with Bangladesh.

Mizoram chief secretary H V Lalringa said their cordial meetings with the Prime Minister and Commerce Minister indicates Bangladesh government's positive attitude in enhancing border trade.

Garment and leather goods can be added to the list of exportables from Bangladesh, he said adding Karnaphuli river channel can make Mizoram's trade with Bangladesh much easier and cheaper than with Delhi or Mumbai of India.

He stressed the need for opening the land customs office between Bangladesh and Mizoram.

FBCCI vice president M A Mumin said the business community of Bangladesh has started looking at the neighbouring North Eastern states of India with great interest as a prospective area to increase trade and investment. He referred to FBCCI delegation to Meghalaya, Assam and Tripura in March and April this year.

Mumin said Bangladesh can be a cheaper source of a large variety of goods to Mizoram. He identified fruit and food processing, forest products, horticulture and tourism as prospective areas for joint ventures.

The FBCCI leader said lack of adequate infrastructures like access roads, warehouses, bank branches and customs offices is a major constraint to development of trade and investment. Existing land routes need improvement while new land ports and trade routes need to be developed, he felt.

Indian High Commissioner to Bangladesh Dev Mukherjee, Chief Secretary of Mizoram and other officials were present.

## Chief Minister for border trade

When Bangladesh seeks increased trade with the neighbouring states of India, Mizoram has shown keen interest to trade with Bangladesh for mutual benefits, reports UNB.

India encourages frontier trade between Bangladesh and Mizoram as envisaged in the Mizoram Peace Accord signed with India in 1986, said Mizoram Chief Minister Zoramthanga.

The visiting Mizoram Chief Minister said this when he called on Commerce and Industries Minister Tofail Ahmed at his office here yesterday.

He also expressed interest to import gas from Bangladesh as there is no gas field in Mizoram.

Tofail said Bangladesh has a wider scope to increase export to India, especially with its bordering states.

"All these issues relating to

trade expansion will come up in the discussion with the Indian government scheduled for next month," he said.

The Commerce Minister said efforts are on to fully make functional the trade agreement between the two friendly countries.

He said: Solving all outstanding issues with India, including the Ganges Water Sharing Treaty and the CHT Peace Accord, Prime Minister Sheikh Hasina has now stressed the exploration of prospects to reduce the trade gap with India by increasing exports.

Tofail said India has reduced import tariffs on many items and withdrawn various non-tariff barriers through SAPTA negotiations, creating greater scope for export to India.

"We could explore more areas to strengthen bilateral cooperation and we expect more tariff

concessions so that our export items could get Indian market," he told the Mizoram Chief Minister.

Zoramthanga also appreciated the CHT peace accord and said it was an encouraging step for maintaining peace in Mizoram as "we have common border with the hill districts of Bangladesh."

He hoped that trade between Bangladesh and Mizoram could now be carried out smoothly as peace prevails on both sides.

The Chief Minister said: Scopes are also there to easily carry goods in waterways with Chittagong through Kaptai Lake and Karnaphuli. CHT is the only economical outlet of Mizoram, so we greatly value the direct trade link with Bangladesh.

Indian High Commissioner to Bangladesh Dev Mukherjee, Chief Secretary of Mizoram and other officials were present.

# India, Thailand to rejoin IJO

A sense of relief pervaded the member countries and officials of International Jute Organisation (IJO) as India indicated return to the body it left last year over the election of the IJO executive director from a jute consuming country, reports UNB.

"It's a great relief for us, all members. India has already sent a letter for its return following hectic diplomatic efforts by all concerned," a senior official at the IJO Secretariat told UNB, as its three-day council session concluded here Tuesday.

The 27th session of the International Jute Council, the supreme authority of the IJO, took stock of India's positive response and kept some new projects suspended to ensure participation of the largest jute producer in the world.

"Some old projects were extended in the council session. Only a new project was adopted while we held up the remaining proposed projects as India posi-

tively responded to return and we want their active participation in those," said IJO the official.

The session began in Dhaka on April 25 with a call from Foreign Minister Abdus Samad Azad to India and Thailand to return to the "facilitating and catalytic international body" for the interest of jute, its production and products.

Finance Minister S A M S Kibria and Commerce and Industries Minister Tofail Ahmed also made similar calls to India at a jute investors' forum in mid April. The forum was organised by Bangladesh government, European Commission, Dhaka Chamber of Commerce and Industry (DCCI) and the IJO.

While India's decision to withdraw itself from the IJO was a "very much geo-political affair," Thailand walked out from the body following its current economic crisis. However, a Thai delegation took part in the just concluded council ses-

sion.

As the IJC session was over today, IJO executive director Henri L Jason told newsmen that it concluded with an optimism from all members that "our great partners India and Thailand will come back to the body soon."

India intensified diplomatic efforts are on... there is a very positive signal that India will rejoin the IJO," said the newly appointed executive director whose election angered India and the largest jute producing country pulled out of the organisation.

"There are new possibilities to do for the organisation that facilitated jute oriented activities across the world. India is not only largest jute producing country but also provides newer technology. We don't want to miss them in our new missions," he said.

Addressing a post-council press conference, Jason, who took over on April 25, also elaborated the output of the ses-

sion of the highest body of the IJO. It was participated by 24-member countries and affiliated bodies.

Senior officials of the IJO, including Dr R Mandal, A K M Rezaur Rahman, Dr UCL Das and Dr Amin Liu, attended the press conference.

India decided to pull out of the IJO in April last year after its candidate for executive director of the IJO lost to France's nominee even though Bangladesh, which bears 25 per cent expenditure of the body, withdrew its candidature in favour of its next door neighbour.

France bagged the prestigious post for the first time mainly backed by the consumer countries. The post was earlier occupied by jute producing countries since the IJO was established in early 1980s. Jute producers and consumers share 50-50 vote.

India produced some 18 lakh tonnes of jute in 1997-98 season while the world production was 35 lakh tonnes.

### Kibria sees 4pc GDP growth this fiscal

# Dhaka proposes Asian Fund for LDCs

Finance Minister Shah A M S Kibria has estimated the country's GDP growth at four per cent during the current fiscal year, lower than the target, due to the colossal damage to the economy by the flood in 1998, reports UNB.

He told the 55th session of ESCAP in Bangkok Tuesday that the current year for Bangladesh was a difficult one as it suffered a severe flood in 1998, the worst in the living memory. The copy of his speech was available here yesterday.

Kibria said GDP growth in Bangladesh has been over five per cent during the last three years.

He hoped ESCAP could assist the member countries and play the role of a catalyst for regional cooperation and provide technical assistance.

Bangladesh is also a member of BIMSTEC, that groups Bangladesh, India, Myanmar, Sri Lanka and Thailand, and is always committed to fostering regional economic cooperation, he said.

Kibria proposed an Asian Fund be established as a fast-disbursing source of extra liquidity with provisions for special treatment for the LDCs. This fund will be an "additional to and not a substitute for IMF assistance available at present," he clarified.

He further also proposed for a regional framework for IT learning and dissemination with particular focus on helping the resource and technology-poor developing countries.

He felt the problems of the LDCs need to be addressed within a broad framework

which will prevent the marginalisation of these economies in a globalised world.

Recalling last year's natural calamity, the Finance Minister said flood losses in terms of output and damaged infrastructure have been estimated at more than US\$ two billion, equivalent to six per cent of the GDP.

Highlighting his government's efforts in macroeconomic management, Kibria said Bangladesh so far have been able to avoid any major contagion effects of the Asian crisis.

He said good governance is high on the government's agenda. The government has been pushing various reforms in administrative, legal and financial sectors.

## Bangladesh exports urea machines

A local Bangladesh machinery manufacturer, MARK Industries (Pvt) Ltd, has successfully produced and is now exporting the first ever diesel model urea super granule (USG) machines to Myanmar and Vietnam.

Two orders have been received for the diesel engine operated briquetter machines from the International Rice Research Institute. One of the machines is being shipped to Yangon, Myanmar and the other is going to Cantho University in Cantho, Vietnam.

According to officials at MARK Industries, the shipment is scheduled for April 28. This will be the first time in the country's history that non-traditional agricultural machinery has been exported to South East Asian countries, says a press release.

USG, which is the prefix for urea super granule fertiliser, has been adopted rapidly and is now being used extensively by rice farmers here in Bangladesh due to the efforts of the Agribased Industries and Technology Development Project (ATDP), a USAID supported project of the Ministry of Agriculture, the Department of Agricultural Extension and USG machine manufacturers.

Farmers obtain substantial savings, up to 30 per cent, of urea compared to prilled urea application while increasing rice yields by around 20 per cent and the technology is more environmentally sound.

Up to now USG manufacturers have had to use a briquetter machine using a three-phase power source of 440 volts. Due to problems of various frequencies in electrical energy sources these machines were not always operationally feasible in some areas, which limited the availability and use of USG by farmers. The new diesel engine operated machines is an alternative to electrically oper-



A demonstration of Urea Super Granule (USG) machines, manufactured by MARK Industries (Pvt) Ltd, Dhaka, which were exported to Myanmar and Vietnam recently under ATDP technical assistance.

ated models and can be used in rural areas where no electricity is available.

The machine can be easily dismantled and if electricity becomes available can use an electric motor instead of the diesel engine.

The concept for a diesel powered machine emerged in mid-1997. While discussing how to disperse the use of USG to other Asian countries, a representa-

tive of the International Rice Research Institute (IRRI) asked ATDP if it would be possible to produce a USG briquetting machine to run to the electricity specifications found in South East Asian countries.

An alternative idea for a diesel powered machine arose and ATDP approached MARK Industries about the possibility of their producing such a machine.

## Asia heads for recovery: IMF

WASHINGTON, Apr 28: Crisis-hit Asian nations are now headed for recovery and the risk of global recession has declined but prospects for a turnaround in Japan this year are uncertain, the IMF said yesterday, reports AFP.

The International Monetary Fund's policy making interim committee, at the close of a day-long meeting here, also expressed concern about Russia.

But IMF managing director Michel Camdessus told reporters Moscow and the Fund were close to an agreement on a financial rescue package for the country.

The interim committee in addition took heart at developments in Brazil, where it said the economy had stabilised since March. Better still, the feared impact of Brazil's currency and confidence crisis earlier this year on other Latin American countries had in fact been "generally... moderate."

Tempering its upbeat assessment of the global economy, the 24-member committee warned in a statement that "the outlook is for world output growth to remain sluggish in 1999" in the face of "serious challenges that will take some time to resolve."

The committee nonetheless found that "activity in most of the Asian crisis countries seems to be turning towards recovery," adding that "continued progress with structural reforms will help to restore and maintain economic dynamism in the long run." But the IMF

was much less sanguine about the near-term future of Japan, currently mired in recession. "In Japan, despite some improvement, short-term prospects remain uncertain," the statement said.

Using language nearly identical to that adopted by Group of Seven finance officials following their meeting on Monday, the interim committee stressed the importance of Japan implementing stimulus measures until growth is restored, using all available tools.

But the committee also recognised that Japan had already taken "important policy initiatives" aimed at spurring domestic demand and easing strains on financial institutions.

It also echoed the G7's concern that the chief downside risk to the global economy is "the continuing uneven pattern of growth among the United States, the euro area and Japan," which has seen the US trade deficit soar to record highs.

In Russia, according to the committee, "economic activity has been recovering from the low point in September... but the fiscal and debt imbalances remain unsustainable."

It said "vigorous action is needed to tackle the root causes of the crisis," which it identified as "persistent fiscal imbalances, structural rigidities and financial sector weaknesses."

Camdessus said he would meet Wednesday and Thursday with a Russian delegation here to discuss terms of a credit

package that Russia is seeking in order to avoid a disastrous default on billions of dollars in foreign obligations. "We are not far from an agreement," he reported.

While Russia would have to implement certain economic measures, which would probably require "several legislative actions," before any funds could be disbursed, Camdessus stressed his conviction that "we could rapidly agree on a programme."

Elsewhere in its statement, the interim committee warned countries against pursuing "inappropriate" policies that could lead to "significant exchange rate misalignments."

But it also pulled back from outright condemnation of fixed exchange rates, saying that while they had posed problems in some countries, others "had been successful in maintaining exchange rate parities."

US Treasury Secretary Robert Rubin, a strong supporter of floating exchange rates, told the committee "the international community, as a matter of policy, should not provide large scale official finance to countries intervening heavily to defend an exchange rate peg" except in "exceptional circumstances."

Camdessus predicted the IMF would sell some of its gold reserves to fund a debt-relief initiative but said fund policymakers had yet to take a final decision on the move.



Workers clean a marble stone at the foot of the Petronas Twin Towers, Asia's tallest buildings at the Kuala Lumpur City Centre (KLCC) 28 April 1999. Economists say Malaysia is showing clear signs of emerging from recession and could even abandon the fixed-exchange rate regime adopted in September and let the currency float in a narrow band. — AFP photo