

### Japan grants WFP \$110,000 for Bangladesh

Japan has given a grant worth US dollar 110,000 for a World Food Programme (WFP) project in Bangladesh, says BSS.

The grant will be used to buy five landcrisers for strengthening transportation and monitoring of WFP for the project "Vulnerable Group Development Support to Rural Women to Move out Poverty", a Japanese Embassy press release yesterday said.

The government of Japan in previous years had also extended grant assistance to the WFP for the procurement of seeds and saplings, which greatly contributed to enhance food production in Bangladesh, the press release said.

### Urea price soars in Natore

NATORE, Sept 7: Price of urea has shot up in the district, dampening the enthusiasm of the poor farmers, says UNB.

A visit by the UNB correspondent to local markets showed that urea fertilizer is now selling at Tk 345-360 per bag against Tk 275-285 15 days back.

Denying the report of fertilizer price hike, an agriculture official said, "We have not yet heard such reports."

Market sources said TSP was selling at Tk 675-680 against the previous rate of Tk 600 while TSP (China) at Tk 530 instead of Tk 510, SSP (China) at Tk 250-260 instead of Tk 200 and SSP (India) at Tk 240-245 instead of Tk 190 per bag.

Then asked local fertilizer traders said the urea price might go up further due to growing demand for it.

Another agriculture official said they had projected that some 23,800 hectares of land would be brought under Aman cultivation in the district.

"But the farmers have already surpassed our target by bringing 32,000 hectares of land under cultivation," he said.

### ILO says Asia has world's worst record on child labour

BANGKOK, Sept 7: Asia has the world's worst record on child labour with 153 million youngsters slogging through hours of often dangerous and degrading work every day, the International Labour Office (ILO) said today, reports AFP.

ILO envoy Werner Blenk said the economic crisis prompted a rapid expansion of informal economies in Asian countries, forcing one in five children between the ages of five and 14 into the work force.

"Child labour is mostly a hidden phenomenon," said Blenk, who heads the ILO's International Programme on the Elimination of Child Labour. The vast majority of child labourers are in Asia.

The financial turmoil which engulfed Asia in mid-1997 led to increases in the worst forms of child labour, including, trafficking in children, prostitution, debt bondage, slavery and the use of children in armed conflict, he said.

The ILO is hosting a three-day Asian regional meeting on child labour beginning Wednesday on the southern Thai island of Phuket, attended by representatives of governments, workers, and employers from 13 countries.

The meeting is part of an International Labour Organisation campaign for the ratification of a convention banning the worst forms of child labour adopted by the body's members in June, potentially liberating millions of exploited youngsters in Asia.

Representatives from Bangladesh, Cambodia, China, India, Indonesia, Laos, Mongolia, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam, will be at the Phuket meeting.

### Creditors agree to boost financial assistance for 7 Daewoo units

SEOUL, Sept 7: Creditors of South Korea's faltering Daewoo Group today agreed to boost financial assistance to seven units which have been placed under an emergency debt rehabilitation programme, bankers said, reports AFP.

Yonhap news agency said the creditor institutions had agreed to extend 1.0 trillion won (830 million dollars) to the units, but the banks refused to comment on the amount of the latest emergency bailout.

"We have just agreed with Daewoo officials on it," said an official from Korea First Bank (KFB), one of Daewoo's major creditors, after the deal which unblocked desperately needed cash-supply to the units.

The agreement came after creditors and Daewoo on Tuesday held a third round of consultation talks on more financial assistance for the units which are suffering a major liquidity squeeze as their parent collapses.

### Prothom Alo roundtable told

## Smuggling, terrorism taking toll on Old Dhaka business

Star Business Report

Free flow of smuggled goods, terrorism, traffic jam and harassment by tax officials are some of the problems that have hit the business in the city's old part.

Unless steps are taken immediately to resolve these problems, the traditional business hub of the Old Dhaka will lose its prominence as the country's prime trading centre.

These views were expressed at a roundtable conference on the recent business situation of the Old Dhaka.

The roundtable organised by the vernacular daily Prothom Alo was participated by the leaders of different trade associations at the Moulvi Bazar Merchant Association (MMA) office in the city yesterday.

Prothom Alo Editor Motiur Rahman moderated the roundtable.

Speaking at the function, President of MMA Mohammad Enayeturrahman said that due to the complicated tax system, the business people were unnecessarily harassed by the tax officials.

"The tax officials always try to keep the system complicated because their earnings will come down if the system is streamlined," he said.

Motiur Rahman said that the role of the city's old part was very much important as huge business transactions are made there everyday.

Hartals and barricades have become easy political programmes which need very little efforts. "But we should come out of this culture," he said.

S M Nazimuddin, President of Polythene Small Industries Owners Association, said complicated tax system, unnecessary harassment by the tax officials, and smuggling compel honest businessmen to be dishonest.

Citing examples, he said that many cases customs duty was charged at a flat rate on both the basic raw materials and finished goods. Besides, goods are imported duty-free through bonded warehouses and then sold in the open market encouraging importers to evade tax.

"Genuine imports are often harassed, which encourages illegal imports," he complained.

Md Masuk, Vice-President of Footwear Manufacturers Association, said that normal business activities were hampered in the old city due to traffic congestion.

As a result, the wholesale business is being shifted to the other parts of the city, he said, demanding immediate implementation of the proposed road through the central jail to ease congestion.

Trading on the footpath in the old city should be con-

trolled, he observed.

Akhter Hossain Khan, General Secretary of Footwear Merchant Association, said hartals and political instability have hit business activities in the vicinity.

Md Kamal Hossain, General Secretary of Nawabpur Shop Owners Association, said the business people are being held captive by toll collectors.

"My daily turnover has come down to less than Tk 50,000 from over Tk two lakh earlier."

The terrorists have become a big threat for our buyers, who come here from different parts of the country. Even the members of the law enforcing agency are often involved in toll collection, he added.

Md Mostafa Kamal, an office-bearer of MMA, said that the law and order situation was fast deteriorating in the area, which has become a grave concern for the businessmen.

Abdus Salam, President of Paint, Dyes and Chemical Merchants Association, said prices of locally produced goods are more because of higher duty on raw materials. This is creating an uneven competition for the local manufacturers, he said.

Ali Asgar Kamal, President of Moulvi Bazar Sugar Merchant Association, said smuggling has now become the only activity which earns profit.

"The genuine businessmen

are facing continues losses because of smuggling," he said.

The traders also blamed the pro-active door-to-door sales strategy by big multinational companies for the downturn in business in the old city. "It is a hassle to negotiate the traffic jam to come here. So, buyers find the home delivery services more attractive," one trader said.

Md Alauddin Malik, President of Local Garments Association, said many manufacturing companies have closed down their activities due to smuggling.

Agricultural products are also facing threats from smuggling, he said.

Md Amir Hossain Babul, former General Secretary of Footwear Merchant Association, said smuggling was on the rise with the opening of border trade with Myanmar.

Goods coming from China, India and Thailand are entering the country through Myanmar, he said.

Iqbal Ahmed, executive committee member of MMA, Abdur Razzaq, President of Moulvi Bazar Ata, Maida and Shuli Merchant Association, Md Abdur Razzaq, President and Md Mofizul Islam, Joint Secretary of Begum Bazar Merchant Association also took part in the discussion.

### Parliament told Govt undertakes 11-point scheme to promote handloom sector

State Minister for Textiles AKM Jahangir Hossain yesterday informed the house that there were 5,21,680 handlooms in the country as per a departmental survey conducted recently, reports BSS.

Replying to a question from treasury bench member from Sirajganj-4 Abdul Latif Mirza, the State Minister said that 40 per cent of the country's demand for Textiles is being met by handloom sector.

He said the government have undertaken a 11-point programme to promote handloom industries in the country and improve the lot the weavers.

The outline of the programme include enhancement of technical efficiency of the weavers by providing them training, improving technology of handloom industries expansion of handloom credit facilities, proving effective capital to the weavers through bank credit system, increasing production of Jamdani Sarees Grameen Check and Dhaka Check variety to boost exports of fabrics and setting up of more facilities centres and BSCIC centres at different places in the country.

Replying to a supplementary, the minister said that Grameen Check had very good market potentials and export of the item is being given support from the banks.

## LPG output meets only 4pc demand

State Minister for Energy and Power Prof. Rafiqul Islam yesterday told the Jatiya Sangsad that the country had a demand for 4.80 lakh metric tons of liquefied petroleum gas (LPG) and the present production capacity of 21,000 metric tons meet only four per cent of the demand, says BSS.

Replying to a question from treasury bench member Shaheen Monwar Hoq from woman seat 7, he said that in view of high capital investment in pipe line transmission of gas, the government has given importance to production import and marketing of LPG countrywide to meet the demand of gas.

He said that international Oil Company ESSO and Mobil have already been given permission under joint venture with the Petroleum Corporation to market LPG in the country.

Besides, nine other companies have been given permission to import and market LPG in the country, he said.

Prof Rafiqul Islam said that under the directive of Prime Minister Sheikh Hasina his ministry has taken a plan to set up LPG production plant with a capacity of 3.6 lakh metric ton per annum at Ashuganj.

Replying to a supplementary from treasury bench member Hajji Mohammad Selim, the State Minister said that gas would be made available in Kamrangir Char within next three months.

He said physical survey for

the purpose has already been completed.

To another supplementary from treasury bench member Hafiz Ahmed Majumder, the minister said that more areas of greater Sylhet district would be brought under gas transmission in phases.

### New chairman of Parjatan Corporation



Abu Saleh has joined the Bangladesh Parjatan Corporation as Chairman.

Prior to his joining the corporation, he was the Joint Secretary of the Economic Relations Division (ERD), says a press release.

Saleh held many responsible positions in the government.

He travelled to different countries of Europe, North America, South America, Middle East and Far East.



Moulvi Bazar Merchant Association President Md Enayeturrahman speaks at a roundtable on the recent business situation in the old part of Dhaka city organised by the Prothom Alo newspaper yesterday. Editor of the daily Motiur Rahman (Centre) moderated the roundtable.

—Prothom Alo photo

## Reeling rupiah starts to have impact on Asia

SINGAPORE, Sept 7: The Indonesian rupiah's slide on the escalating violence in East Timor has started to have a mild impact elsewhere in the region, most notably in Singapore, reports Reuters.

The eruption of violence which has resulted in hundreds of deaths and has pushed both the rupiah and the Jakarta stock market down around eight per cent since last week's referendum voted for independence for the province.

The Indonesian government has been forced to declare martial law in the former Portuguese colony where pro-Jakarta militias have killed hundreds in the wake of the ballot.

"Instability in Indonesia is always bad for Singapore from a geo-political standpoint so it's difficult to see dollar/sing going down at the moment as long as dollar/rupiah continues to not higher," said Steve Brice, regional treasury economist at Standard Chartered in Singapore.

The World Bank and International Monetary Fund have already threatened to put loans to Indonesia on hold if the controversy surrounding Bank Bali — involving the payment of a substantial fee to a firm run by an official of the ruling Golkar party — was not resolved properly.

There have also been veiled suggestions from elsewhere that overseas funding might be affected if the government allowed the chaos in East Timor to continue.

US President Bill Clinton had implicitly warned that ties with Washington would be seriously damaged and aid could be curtailed if the violence escalated.

Any suspension of loans would have a significant impact on the rupiah which has helped higher as aid dollars flowed in and were immediately converted into the local currency.

Some in the market are starting to think in terms of a dollar/rupiah return to this year's high around 9,500 per dollar — 15 per cent down from current levels — and such a move would tend to soften the Singapore dollar and also probably the Thai baht, analysts said.

The rupiah, which touched its lowest level since April on Tuesday, was quoted at 8160/8210 by 0710 GMT compared with 8,050/8,100 in late trade on Monday.

Analysts said most in the market did not at this point believe the situation in East Timor would be allowed to degenerate much further so at present there was not major investor panic.

Quite the opposite in fact, and some were looking to cash in on the recent sharp moves.

tone, though they fell well short of a new policy. In London, Blair's spokesman and Chancellor of the Exchequer (finance minister) Gordon Brown insisted that cook had done nothing more than reiterate the official line.

Blair, in a speech last July, tried to pour scorn on press stories about his policy zigzags on the euro.

"Warming up, cooling down. I simply say ... ignore them all. If the policy changes, I'll tell you."

Some commentators saw Cook's speech as an attempt to test the waters of British public opinion after a period in which opponents of the euro have

made all the running and its supporters have seemed in disarray.

Blair's government has been on the defensive over the issue since June, when the Conservative opposition trounced it in European Parliament elections by promising to keep the pound.

In July, Blair hit back with a speech which tried to shift the terms of the debate away from the issue of scrapping the pound to the wider question of Britain's future in Europe.

The government believes it has to win the battle for Europe first before it can win the battle for the Single currency," said one leading pro-euro banking analyst.

The government's strategy is

### Four Madaripur thanas to have Tk 30 cr BKB loans

MADARIPUR, Sept 7: Bangladesh Krishi Bank (BKB) has fixed a target to disburse Tk 30 crore as agriculture loan in the four thanas of Madaripur district in the current fiscal year, says BSS.

A BKB source said here, Tk three crore will be disbursed among the poverty-stricken women in sadar thana as soft-term loan.

The BKB realised Tk three crore as outstanding loan from the borrowers of the four thanas during the last two months.

The BKB loans are being used in agriculture, fishery, animal husbandry and poultry farming.

## Unauthorised production of molasses Northern sugar mills may not reach target this yr

NATORE, Sept 7: Unabated use of unauthorised power crushers in sugar mill areas of northern districts may take its toll on sugar output this year, reports UNB.

According to competent sources, BSFC has fixed a target to produce some two lakh MT of sugar by crushing nearly 27 lakh MT of sugarcane in the next crushing season, beginning in October.

To ensure adequate supply of sugarcane to 13 sugar mills of the region, some 2.35 lakh acres of land have been brought under sugarcane cultivation this year, fixing the production target at 45 lakh MT.

But the sugar production is unlikely to achieve the target as a section of molasses traders are forcing the growers to sell

immature sugarcane to them at Tk 40-45 per maund.

A senior official of the North Bengal Sugar Mills in Natore said these unscrupulous traders started their illegal business from mid-July to make a windfall profit by smuggling out molasses to Myanmar, Bhutan and India.

He said at present about 3,000 power crushers are in operation in the region crushing 12,000 MT of sugarcane everyday.

If the situation continues, he said, the sugar mills would suffer from acute short supply of sugarcane, affecting the sugar production.

Meanwhile, a good number of molasses trading centres have sprung up in the district.

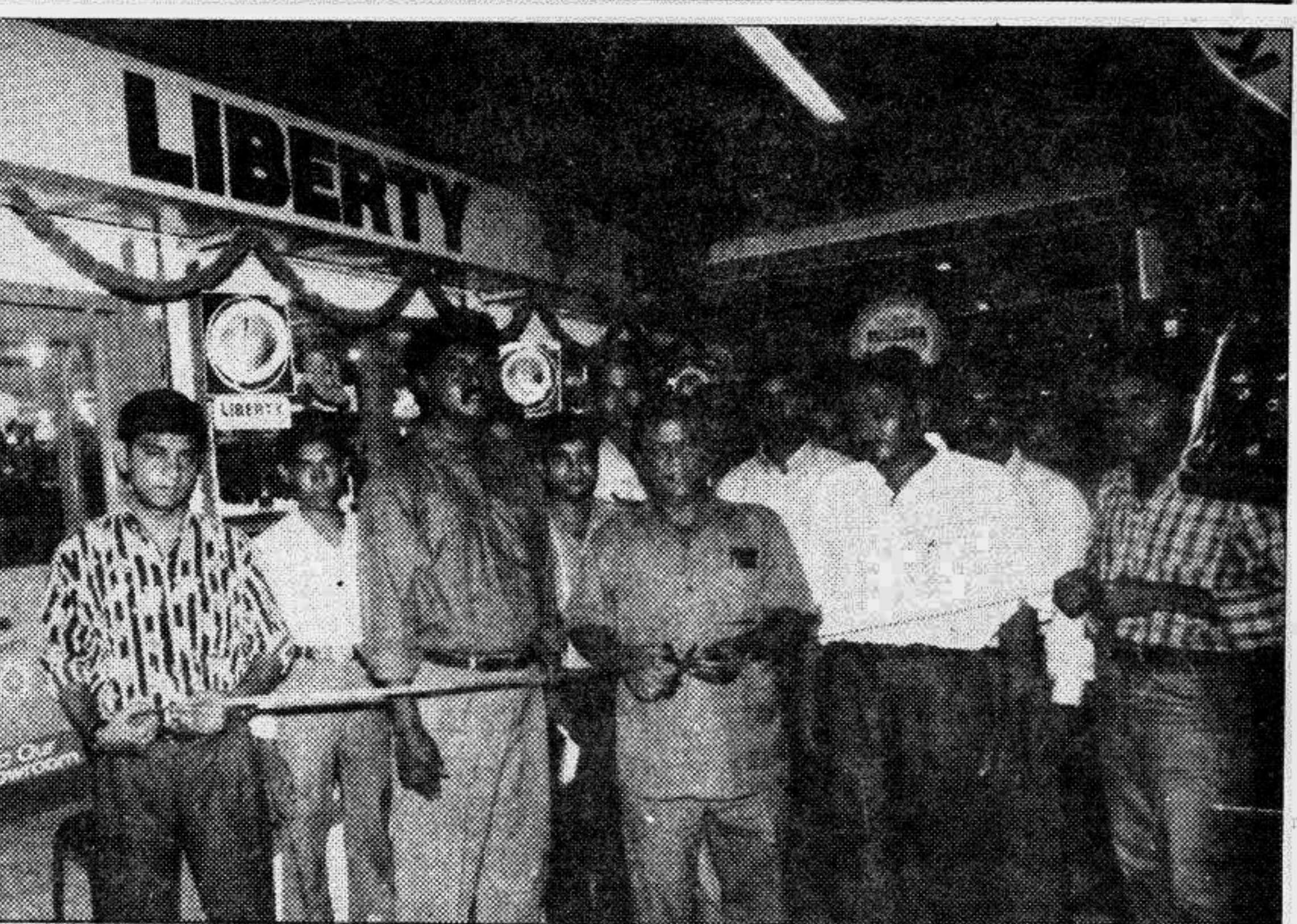
In western part of the district railway station there are 120

molasses 'arats' (depots) from where the product is supplied to other parts of the country.

Some 1,200 MT of molasses are supplied to Dhaka, Chittagong, Sylhet, Khulna and Chapalnawabganj in trucks everyday during the peak period. A huge quantity of molasses is also smuggled to India, Bhutan and Myanmar.

Accusing the government of not giving them necessary support, the cane growers alleged that they get Tk 37-39, including carrying charges, by supplying sugarcane to the sugar mills per maund while Tk 40-45 from molasses traders.

"We are also suffering from various irregularities by mill management and unusual delay in payment," said Lokman Fakir, a sugarcane grower.



Obaidur Rahman, Managing Director of Prime Marketing, sole distributor of Liberty, opens a new showroom at Nahar Plaza in the city on Sunday. Marketing Director Hussain Babla was also present.

— Adcomm photo

## UK govt's on-off romance with euro may be warming up

LONDON, Sept 7: A glowing tribute to Europe's single currency by a senior British minister triggered fresh speculation yesterday that the Labour government's on-off romance with the euro may be warming up, reports Reuters.

But the remarks by Foreign Secretary Robin Cook in Tokyo were quickly followed by assurances from London that government policy was unchanged and an immediate hostile broadside from the Conservative opposition.

Political analysts said Cook's speech was above all meant to reassure Japanese businessmen that Britain would remain the best location

for their inward investment in Europe.

"If the euro brings benefits to its members, we will not let Britain lose out by staying out," Cook said.

While repeating the well-rehearsed formula which has enabled the Blair government to sit on the fence for nearly two years and postpone a decision, Cook struck a new note of optimism about the euro proving a success.

There was now evidence that the European single currency was providing a major stimulus to economic restructuring, he said, with serious efforts under way to liberalise economies and remove structural rigidities.

The remarks were upbeat in tone, though they fell well short of a new policy. In London, Blair's spokesman and Chancellor of the Exchequer (finance minister) Gordon Brown insisted that cook had done nothing more than reiterate the official line.

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In July, Blair hit back with a speech which tried to shift the terms of the debate away from the issue of scrapping the pound to the wider question of Britain's future in Europe.

The government believes it has to win the battle for Europe first before it can win the battle for the Single currency," said one leading pro-euro banking analyst.

The government's strategy is

to paint the Conservatives as anti-European extremists who would lead Britain out of the EU altogether, playing on divisions between the opposition leadership and anti-European hard-liners.

Conservative leader William Hague was quick to denounce Cook's speech as further proof that Blair had already taken a decision in secret to join the single currency.

"What we are seeing is a government that has decided we've got to get rid of the pound, we've got to join the euro. They aren't actually saying that bluntly to the people of this country because they know the people of Britain want to keep the pound," Hague

told BBC television.

Opinion polls make bleak reading for euro backers who hope Blair can turn public opinion around and win a referendum he has promised to hold some time after the next general election.

A survey by ICM in August showed a majority of 60 to 24 against joining the single currency.

Salomon Smith Barney's latest polling by MORI also indicates that the trend in public opinion is still moving against the euro, fuelled by fears that economic and monetary union would harm Britain's improving economic prospects.

The paradox of the government's position, pollsters believe, is that support for euro entry will only pick up if the British economy starts to perform significantly worse than that of euro neighbours.

For a government apparently well placed to head into the next election on a rising tide of growth, low inflation and unemployment and a budget surplus, it will be hard to make a compelling case for handing control of interest rates over to the European Central Bank.

Despite Cook's speech, Blair was likely to resist calls from single currency supporters to climb unequivocally off the fence and lead a campaign to join the euro, political sources said.