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# The Daily Star BUSINESS

DHAKA, TUESDAY, OCTOBER 26, 1999

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## July-August imports up by 3.38pc

Import letters of credit worth about Tk 5882 crore or 1194.79 million US dollars were opened by authorised dealer banks during the first two months of the current fiscal year, showing an 8.20 per cent rise in imports in terms of Taka over the same period last year, reports UNB.

The increase — 3.38 per cent in terms of US dollar — was attributed to rise in opening of LCs for import of intermediary goods, industrial raw materials, petroleum and petroleum products, capital machinery and machinery for miscellaneous industries, according to Bangladesh Bank.

LCs worth Tk 66.61 crore were opened for rice import during the first two months of the current fiscal. Tk 165.67 crore for wheat, Tk 131.11 crore for pulses, Tk 57.17 crore for milk foods and Tk 133.20 crore for edible oil.

LCs opened for import of raw cotton and synthetic fibre worth Tk 227.39 crore, yarn Tk 115.16 crore and textile fabrics and accessories for garments Tk 1568.71 crore, chemicals and chemical products Tk 504.16 crore including Tk 176.62 crore for fertiliser.

Import LCs worth Tk 31.43 crore were opened for cement, Tk 57.55 crore for clinker and limestone, Tk 188.60 crore for CI sheets, BP sheets, GP sheets and tin plates.

The central bank said LCs for machinery were worth Tk 344.89 crore, scrap vessels Tk 123.74 crore and motor vehicles Tk 71.44 crore.

## PAL readmitted to IATA after debt settlement

MANILA, Oct 25: Philippine Airlines said Monday it has been readmitted to the International Air Transport Association after settling its debts with the airline industry body, reports AP.

PAL was suspended from the IATA's clearing house in September 1998 after it failed to pay debts of \$32 million to other airlines. At that time, debt-laden PAL was on the brink of bankruptcy and struggling to get its creditors to accept a recovery plan.

PAL's suspension from the IATA was a serious blow to the ailing carrier because it effectively severed its links with the association's 198 member airlines. Passengers with PAL tickets were unable to transfer to other airlines.

Passengers travelling from Manila to New York, for example, had to purchase separate tickets on PAL and a second airline and manually recheck their baggage since PAL does not fly beyond the US West Coast.

PAL has now returned to the fold of the international aviation community. PAL president Avelino Zapanta said in a statement, "This is a major step in our inexorable march to full recovery."

PAL said its debts to IATA airlines were settled earlier this month. The terms for PAL's reinstatement also included a \$12 million security deposit, which is repayable after a year if the airline meets all its IATA debt payments, or six months if it is a net creditor under the association's clearing system over that period. The move was approved under PAL's rehabilitation plan.

## Hewlett-Packard strong in Asia as crisis recedes

SINGAPORE, Oct 25: US computer giant Hewlett-Packard has performed strongly in Asia this year as the region shakes off its two-year economic crisis, top company executives said Monday, reports AP.

"We have not only benefited from the economic upturn in the region, but in many cases we are growing more quickly than some of our competitors and taking market share," HP President Carleton Fiorina told reporters.

Fiorina declined to give more details about the company's performance, saying that its reports are due out when its fiscal year closes at the end of this month.

Asia was hit with a financial meltdown in 1997 that soured many of the region's strongest, fastest-growing economies. But there are strong signs that the region is in recovery.

Company officials said HP is in a good position to take advantage of the area's comeback because it took "less draconian actions" in layoffs and cutting facilities during the crisis than some of its competitors.

"We've been more careful about keeping investments in place that are needed to capitalise on recovery," said HP chairman of the board Lewis Platt.

Analysts agreed that HP faces good prospects in the region. There has been a resurgence in demand for the high-end products the company deals in, such as computer equipment, said Loh Soon Sin, head of research at UOB Research in Singapore.

## Involvement in illegal money transfers through hundi

# BB sends warnings to five private banks

By Inam Ahmed

Bangladesh Bank (BB) has sent warning letters to five private commercial banks for their involvement in illegal money transfers through hundi and said that they would face cancellation of branch licences if they further indulge in such activities in the future.

Their punishment could even amount to cancellation of bank licences if these five banks do not pay heed to the BB warnings, according to sources. Only the day before yesterday, Finance Minister Shah AMS Kibria while inaugurating a new bank also warned that the regulators would take stern actions against banks involved in illegal hundi activities.

It is for the first time in

Bangladesh that the central bank has unearthed the involvement of some commercial banks in illegal money transfers.

Acting upon a tip-off, the BB launched an investigation and found evidences of hundi activities by two banks — one of them a newcomer and the other now in trouble due to insider brawls.

Later, the BB received further evidences of involvement of more banks and carried out a thorough investigation of all banks.

In the second bout of the probe, it was found that five banks are involved in illegal money transferring activities. These also include the one which had floated shares re-

cently.

According to the BB findings, these banks were doing hundi business through their branches in Sylhet, Satkhira and Chittagong. They usually transferred money to and from Singapore, London, India and Pakistan.

According to sources, hundi with Singapore and India were mainly used to settle smuggling payments.

They were even involved in capital flights from the country, which is a serious crime," said a source. "Our action should have been even harsher, but we are just giving them warnings because this is the first time we have come to know about the affair."



Bangladesh Bank Governor Dr Farashuddin inaugurates the principal branch of newly-launched Mutual Trust Bank in the city on Sunday. Seen on his right is Chairman of the bank Syed Manzur Elahi and on left Director Syed Abul Hossain. Executive Vice President of the bank Nasir Uddin is also seen. — Mutual Trust Bank photo

## Japan's trade surplus slumps 13.6 pc on strong yen

TOKYO, Oct 25: Japan's trade surplus slumped 13.6 per cent in the six months to September as the rising yen cut into the value of exports, the government said today, reports AFP.

The surplus dropped to 6,394.3 billion yen (61 billion dollars), the finance minister said.

"Given the fact that crude oil prices remain high and the yen keeps on appreciating, Japan's trade surplus is likely to continue to shrink for the time being," a finance ministry official said.

Imports fell 5.3 per cent to 17,520.6 billion yen because of smaller aircraft and coal purchases.

But exports dropped faster, by 7.7 per cent to 23,914.8 billion yen, as the value of car and computer shipments dive.

Analysts said the yen's surge was mostly to blame. In the six months to September, the yen averaged 118.18 to the dollar compared to 137.47 a year earlier.

"The stronger yen is behind the trend as exports in terms of

volume started rising since June," Sakura Institute of Research analyst Naoko Ogata told AFP. Imports were also rising in volume terms, he added.

Overall, it was the first contraction in Japan's half-year trade surplus since the six months to March 1997, the finance ministry said.

Japan's surplus would fall further in the months ahead as exports are hurt by an expected slowdown in the US economy the analysts said.

In the half-year period, the politically sensitive trade surplus with the United States swelled 10.2 per cent to 3,770.5 billion yen, the highest level in 12 years.

Exports to the United States fell 6.1 per cent to 7,857.5 billion yen, and imports slumped 17.8 per cent to 4,158.3 billion yen.

Meanwhile, Japan's surplus with the European Union plunged 21.3 per cent to 1,728.4 billion yen with exports falling 13.1 per cent to 4,124.4 billion yen and imports dropping 6.0 per cent to 2,396.0 billion yen.

"Although the yen is unlikely to rise further in the near future, a slowdown in the United States economy is likely to squeeze Japan's surplus," Ogata said.

"It will be some time before the Asian economy recovers fully to offset the decline (in exports) to be caused by the US economic slowdown," she said.

Japan's six-month trade surplus with Asia fell 6.3 per cent to 1,966.5 billion yen. Exports to the region edged up 0.4 per cent to 8,987.9 billion yen as imports grew 2.5 per cent to 7,020.4 billion yen.

In the month of September alone, Japan's overall trade surplus dropped 9.7 per cent year-on-year to 1,391.6 billion yen, falling for the sixth consecutive month, the ministry said.

Exports in the month declined 7.0 per cent to 4,274.9 billion yen as imports fell 5.6 per cent to 2,883.3 billion yen.

In September alone, the trade surplus with the United States rose 4.9 per cent to 765.9 billion yen.

## Aptech Computer Edn completes 2nd year in Bangladesh

Aptech Computer Education, global leader in the IT education and training network, completed its second year of operation in Bangladesh on October 21, 1999, says a press release. Currently, Aptech provides IT career courses and training in the field of software engineering, web-based technologies, e-commerce, programming languages and productivity software.

Its present curriculum encompasses leading-edge technologies and equips its students for attaining the coveted Microsoft Certified Solution Developer (MCSD) certification.

Starting its journey in October 21, 1997 in Bangladesh with the first centre at Dhanmondi in conjunction with Axiom Technologies Ltd, Aptech currently operates 14 centres in all the major cities throughout the country. By the year 2000, Aptech aims to reach all corners of Bangladesh and bring quality IT education to the doorstep of the people.

Established in 1986, Aptech Computer Education currently covers all the continents having more than 1250 training centres. Aptech made its international debut in 1992 with the launch of the first Centre in Bahrain. Today, Aptech provides career courses in IT as well as information management in 29 countries including Bangladesh.

## Tk 1.2cr Japanese assistance for three NGOs

Star Business Report

Japan is to give US\$ 244,803 (Tk 1.2 crore) as grant assistance to three Non-Government Organisations (NGOs) of Bangladesh.

The money will be utilised in promoting social development at grassroots level in the country, says a press release of the Japanese embassy.

An agreement to this effect was signed between the Ambassador of Japan in Bangladesh, Kazuyoshi Urabe, and Dr Neelima Ibrahim, President of Concerned Women for Family Development, Md Sohrab Hossain, Executive Director of Upun Uddagh Sangstha, and Shahidul Islam, Director of Uttaran, in the city yesterday.

Concerned Women for Family Development will utilise US\$ 81,593 for constructing "a comprehensive reproductive healthcare training and women development centre" at Rampura in Dhaka. The centre will be used for skill development training of disadvantaged women in sewing, cutting, and embroidery block printing. It will also be used for service providers of NGOs, private sector and government. At present, CWFDF as one of the co-operating agencies of USAID provides health service under the National Integrated Population and Health Programme at slum areas in Dhaka.

Upon Uddagh Sangstha will spend US\$ 82,000 for constructing "a multipurpose community centre" in Chilmari district. The centre will provide curative and preventive healthcare services, adult & child education and vocational training for the beneficiaries of the organisation. It will also provide medical training for village doctors and leadership, management & accounts training for the other NGOs in the area.

Uttaran will utilise the amount of US\$ 81,210 for constructing "a resource and training centre" in Satkhira. The centre will provide conference, workshop, seminar, library and low-cost hostel facilities for development workers and beneficiaries of the community-based organisations in the southwest region of the country.

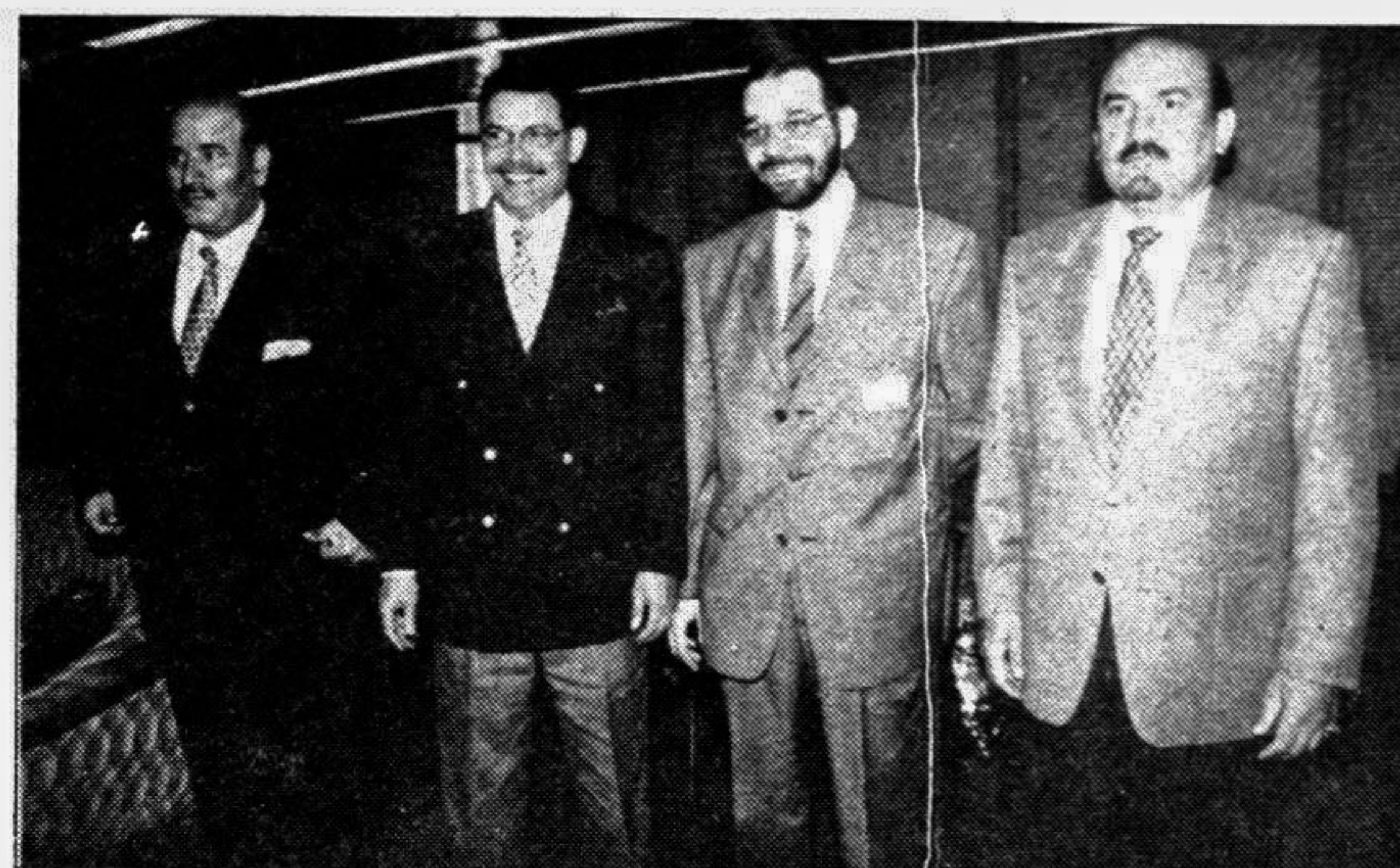
The government of Japan has been offering grant assistance to the grassroots projects through non-government organisations since 1989.

In Bangladesh, a total number of 58 NGOs have already received financial assistance under this scheme which has contributed to the efforts of NGOs to promote social development in the country.

## Clarification

Dhaka Bank in a clarification to a news item under the headline "Net worth of banks eroding with provision shortfall" said it had kept excess provision in its audited balance sheet prepared as on December 31, 1998. In the meantime, we have already prepared our half-yearly audited accounts as on June 30, 1999 wherein also we made full provision as required by the Bangladesh Bank classification guidelines. We have informed Bangladesh Bank accordingly in this respect on July 29, 1999.

Our reply: The Daily Star report was based on statistics prepared by the Bangladesh Bank and supplied by all the banks concerned. It was clearly stated in the statistics that Dhaka Bank had Tk 3.24 crore provision shortfall. It had Tk 4.79 crore required provision as on June 30, 1999 and its actual provision was Tk 1.55 crore.



Abdul Aziz Al-Hazmi (2nd-L), Executive Vice-President (Marketing) of Saudi Arabian Airlines, is seen with Abdul Hameed Al-Jahdy (extreme right), Vice-President (Passenger Sales and Services), Ahmed Mustafa (extreme left), General Manager, Passenger Sales and Service, and Anwar M Mukhtar, Manager-Bangladesh and Nepal, at Zia International Airport after their arrival Sunday on a 2-day visit to Bangladesh. — Saudi Airlines photo

## London-Sylhet direct Biman flight begins Nov 3

SYLHET, Oct 25: Biman Bangladesh Airlines starts its London-Sylhet direct flight on November 3, fulfilling the long-time demand of the local people living in UK, says UNB.

Biman officials here said that initially the airlines flight would operate twice a week with a wide-bodied Airbus.

They said Biman flight BG 016 would depart from London every Wednesday night and reach Sylhet the next day while BG 018 depart from Sylhet every Friday and reach London the following day.

The Airbus flights, having the capacity to carry 224 passengers and 12 tons of payloads, will have stopovers in Dubai for refuelling. Direct passengers will have to pay additional 25

pounds as fare. Currently on an average 150-200 passengers travel on the London-Sylhet route everyday. Biman earned Tk 45.90 crore from its Sylhet office in the last fiscal and expects Tk 51 crore this fiscal.

As passengers on the route are already on rise, a Biman official hoped that the income from the office would mark a significant rise upon introduction of the direct flight.

In absence of a direct flight, homebound passengers of the route have to land in Dhaka airport and wait for hours together to avail of a domestic flight. And if the domestic flight is cancelled for any reasons, they have to stay in Dhaka until the next day's flight.

More hazardous is that passengers cannot always carry their luggage in the flight they travel due to inadequate freight facility and have to wait for days to pick up their luggage.

To remove their sufferings, Prime Minister Sheikh Hasina on December 20 last year declared the Sylhet Osmani Airport as an international one and directed the authorities concerned for expansion of its runway for operating wide-bodied aircraft.

She had also announced that after completion of the runway direct Biman flights would be introduced on Dubai-Sylhet and London-Sylhet routes. The direct flight on Dubai-Sylhet route was introduced on May 14 this year.



Kazuyoshi Urabe, Ambassador of Japan to Bangladesh, is seen with Shahidul Islam, Director of Uttaran, Md Sohrab Hossain, Executive Director of Upun Uddagh Sangstha, Jay Anderson, Deputy PH Team Leader of USAID, and Dr Neelima Ibrahim, President of CWFDF, at the US\$ 244,803 (approximately 1.2 crore Taka) grant contract signing ceremony in Dhaka yesterday. — Japanese Embassy photo

## Chishtinagar Irrigation Project revolutionising agriculture

Star Business Report

Chishtinagar Irrigation Project (CIP) has recently been the reason for euphoria of thousands of poor peasants in Gharimar, Dingamanik, Bhumsara and Chanta unions of Naria thana under Shariatpur district by revolutionising the mode of agricultural production.

This rare individual effort has already made a striking contribution towards bringing the backward areas under irrigation network since topographical as well as structural bottlenecks here denied irrigation facilities of any sort in the past.

The project area is located in an area which is highly vulnerable to adverse natural parameters. The cultivable lands are extremely fragmented, scattered and mostly low-lying. Here the monsoon flood generally begins at the end of June, submerging all the cultivable lands and houses.

On the other hand, water starts receding very fast from the end of October and all the cultivable lands and canals get completely dried up by November.

The phantom menace of this dual phenomenon of submergence during monsoon and drought in winter results in a disastrous outcome for the ill-fated farmers, leaving them without crops for the whole

year. During winter, water in the source river Padma recedes so quickly to a lower level that the difference between its surface and the canal bed becomes remarkably pronounced.

Engineer Syed Ghulam Mursalin, the promoter of CIP, initiated the project in 1989 to extract water from the source river of Padma with higher capacity power pumps and supply water to the cultivable lands through the canals.

The promoter took the initiative to erect electricity supply lines in the area with the assistance of the Power Development Board (PDB).

At the initial stage, the project started with a commanding area of only 500 acres, operated with a handful of electric and a couple of two-cusec diesel pumps. The area under the Chishtinagar Irrigation Project expanded during the subsequent years to successfully combated severe drought between 1991-92.

At the end of the IRR season, CIP irrigated a total area of about 1,200 acres with 25 cusec BADC-rented floating pumps. By the 1995-96 IRR season, the total area of the project had expanded upto 1,550 acres.

Prior to the launching of CIP, crop output on 1,200 acres area had been 704 metric tons. But during 1993-94, following

the investiture of the project, the crop yield from the same area recorded a sharp increase to 3,288 metric tons.

The project has generated economic activities and created higher demand for fertilisers, seeds, pesticides and other agri inputs. A number of rice mills and engineering workshops have been set up, trading in diesel, mobil and spare parts increased, resulting in remarkable improvement of the economic conditions of the entire population of the area.

In the 1995-96 IRR season, the yield of paddy stood at about 4,750 metric tons.

But there are still some unaddressed factors which threaten the project's viability and prevent its desired expansion. As farmers in the area are extremely poor, the water charge needs to be lower compared to the other parts of the country. An electric transformer ought to be installed near the pumping station for the sole use of irrigation and the existing low-tension aluminium wires should be replaced with higher diameter copper cables.

Moreover, with a view to meet the increasing irrigation demand of the pool of new farmers there is an urgent need to re-excavating some parts of the existing unused and silted canals.