

Pakistanis keen  
to raise jute  
trade with  
Bangladesh

A visiting three-member delegation from Pakistan Jute Mills Association (PJMA) has expressed its interest to increase jute trade with Bangladesh, says UNB.

During a meeting on Monday with State Minister for Jute AK Faezul Huq, PJMA chairman Mazharul Haque expressed satisfaction over the existing jute trade between the two countries.

"There are enough scope for increasing further the trade volume," he said.

Bangladesh's raw jute export to Pakistan stood at \$22.06 million in the fiscal 1999-2000, about 31 per cent of the country's total raw jute exports worth \$71.62 million, according to Export Promotion Bureau (EPB).

Faezul Huq said the government was encouraging private entrepreneurs to come forward with fresh outlook to invest in Bangladesh.

He assured the delegation all possible help and cooperation to the investors in setting up mills and factories in Bangladesh.

Decision to form  
workers' welfare  
bodies in EPZs  
hailed

President of the United Federation of Garment Workers Roy Ramesh Chandra and General Secretary Nurul Islam have welcomed the government's decision to form workers' welfare committees in the country's Export Processing Zones (EPZs), says BSS.

"It's a primary victory of the movement of the workers," they said in a statement on Monday.

They said the decision to form workers' welfare committee is a one step forward towards establishing the full fledged trade unionism (TU) in the EPZs. The workers in the EPZ would get scope of burgeoning although the activities would be launched in a limited scale, they said.

The leaders expressed hope that formation of workers' welfare committee would end the misunderstanding created locally and internationally on the question of introducing TU in the EPZ.

Buba says data  
may exaggerate  
US-German  
productivity gap

FRANKFURT, Aug 22: The Bundesbank said today that different methods for measuring inflation may account for some of the apparent gap between US and German technology investment and, by implication, productivity, says Reuters.

Aggregated economic data appeared to show Germany was well behind in the production and use of new technologies that have helped create the high, tension-free economic growth seen in the United States, the Bundesbank said in its August monthly report.

As an example, the Bundesbank looked at official statistics in manufacturing industry investment in electronic data processing (EDP), which show a rise of 40 per cent per year on average in the US from 1992 to 1999, while in Germany they rose by only six per cent per year.

"But the discrepancy in the development of real EDP investment between the two countries is exaggerated due to the different deflator methods used for these goods," the Bundesbank said.

Syria to set up  
private banks,  
stock market

DAMASCUS, Aug 22: Syria will soon establish private banks and will for the first time ever set up a stock market, economic officials said yesterday, reports Reuters.

They said parliament speaker Abdelkader Qadourah on Saturday asked parliamentary committees on constitutional and legislative affairs and financial regulation to prepare the necessary studies on the establishment of private banks and a stock market.

"The parliament speaker asked the two committees to finalise their studies at the nearest time possible to present these studies before parliament for approval," one source said.

He said the establishment of private banks and a stock market would be "a response to the requirements of developing the national economy and the country's economic interests."

He added, "I expect the establishment of private banks and the stock market to be officially approved very soon as legislators have already prepared studies on these matters but were not approved before."

Moneychangers for reintroducing  
'auction sale' to check hundi

Moneychangers have suggested reintroduction of 'auction sale' of foreign currency to check money transfer through hundi and encourage official inflow of foreign remittance to raise the country's foreign exchange reserve, says UNB.

Bangladesh Money Changers Association (BMCA) president Kefayet Ullah Masud told a press conference in the city yesterday that the foreign exchange reserve was \$2.03 billion when the present government assumed power in 1996.

He said the reserve came down to \$1.62 billion in May this year and 1.4 billion by now.

Reintroduction of auction system remains the only option to raise the forex reserve to a safe level, he felt.

Masud said foreign currencies

remitted by non-resident Bangladeshis (NRBs) were sold in open auction at competitive prices, which encouraged them to remit money only through the official channel till June 1984.

The then government later stopped the system and introduced bank-fixed exchange rates, encouraging 'hundi' transaction that offers NRBs better rates.

Hundi transaction now controls 70 to 80 per cent inflow of foreign remittance, as wage earners have increasingly become dependent on this unofficial channel, he said.

Frequent devaluation would never help increase inward remittance through official channel, as hundi traders always offer higher rate than the official one, Masud said, decrying the government's logic that

devaluation would help increase forex reserve.

Foreign exchange reserve grew by 14 per cent in last four years while the value of local currency depreciated by 30 per cent, he pointed out.

Masud analysed the performance of different export sectors in recent years to disprove the plea often cited by the government that devaluation would boost export.

Earning from all the major export sectors dropped during the last four years except readymade garments and frozen foods, he said, identifying foreign remittance of NRBs as the lone valid source to increase forex reserve.

He did not agree with the move to open exchange points of nationalised commercial banks (NCBs) abroad to help improve the scenario. The ex-

isting exchanges of NCBs abroad are rather patronising hundi business, he alleged.

Masud demanded establishment of 'money exchange floor' like Dhaka Stock Exchange to facilitate money traders to exchange their stocks on account-to-account transaction basis.

He also sought permission for moneychangers to receive wage earners' foreign remittance against their (moneychangers) FC accounts.

Foreign remittance inflow in the 1999-2000 fiscal year amounted to about US\$1.9 billion, of which 40-45 per cent came from Saudi Arabia alone, he informed.

MBCA secretary general

Abul Hashem and executives

Mohammad Faruk and Anwar

Hossain were present on the occasion.

Bangladesh Money Changers Association  
Press Conference

Kefayetullah Masud, President of Bangladesh Money Changers Association (BMCA) speaks at a press conference at National Press Club in the city yesterday. — Star photo

NGFF facing problems with  
Tk 16cr unsold fertiliser

From Iqbal Siddiquee

SYLHET, Aug 22: About 31,000 tonnes of urea fertiliser of the state-owned Natural Gas Fertilizer Factory (NGFF) has been lying stockpiled at its different warehouses due to high price and low demand, sources said.

The value of the unsold fertiliser amounts to Tk 16 crore. The stock includes over 22,500 tonnes in the factory and the rest in the buffer warehouses of the Bangladesh Chemical Industries Corporation (BCIC) in the northern and southern regions of the country.

Meanwhile, Jalalabad Gas Transmission and Distribution Limited, which supplies gas to the factory, has been pressing for immediate payment of outstanding gas bills amounting to over Tk 32 crore. It has already warned the NGFF of disconnect-

ing the gas supply at any time. Sources said the NGFF exceeded its production target even in the face of many odds for the last 3 consecutive years. But its number of dealers was reduced to 70 from 100 last year following an industry ministry decision.

According to the decision, a command area for the factory was fixed and dealers from only four districts of Sylhet region were allowed to lift fertiliser from NGFF.

As a result, dealers from other districts now buy fertiliser from the Zia Fertilizer Factory in Ashuganj.

The system however caused a fall in the sales of NGFF product. The factory is also suffering from acute shortage of storage space in its warehouses having a total capacity of about 30,000 tonnes. It has a stock of about

9,000 tonnes in the buffer warehouses in the northern and southern regions. The factory has also been incurring an annual loss of about Tk 1.85 crore for maintaining the buffer stocks in the far away regions, sources added.

When contacted, a factory official told The Daily Star that different institutions like sugar mills, tea and rice research institutes used to buy fertiliser from the NGFF. But recently they have reduced their purchases. Besides, the zoning system of BCIC also hampered its sales.

The demand for fertiliser in Sylhet region goes over 10,000 tonnes during the peak season. In February this year, the demand was 10,500 tonnes while it was only 2,850 tonnes in July.

Hyundai founder sells shares  
to speed up restructuring

SEOUL, Aug 22: South Korea's largest conglomerate, Hyundai, bowed to pressure from creditors on Tuesday and sold most of its founder's 6.1 per cent stake in its carmaking firm, company officials said, reports AP.

The sale of Chung Ju-yung's 6.1 per cent stake in Hyundai Motor Co was one of the key demands of creditor banks who want a radical restructuring of the financially troubled conglomerate.

"All 6.1 per cent shares were sold in the market," said Yoo Keun-chan, a group spokesman. He declined to disclose other details, including the selling prices and who bought how much.

Yoo said, however, that no stock was sold to foreign institutional investors. Hyundai had been in talks with US securities firm Jardine Fleming to sell a 5.0 per cent stake in the carmaker.

Jardine Fleming did not buy a single share. Their proposed buying price was too low," said another Hyundai official, Lee Young-ju.

Hyundai plans to use the money acquired by the sale of the stocks to buy three-year corporate bonds issued by its allying Hyundai Engineering and Construction Co.

The sale reduced the founder's stake in Hyundai Motor to 3 per cent, clearing the way for the group to spin off the carmaking firm as part of its proposed restructuring plan.

The government's Fair Trade Commission bars conglomerates from holding stake of more than three per cent in any out-

side firm.

Hyundai's main creditor, the state-funded Korea Exchange Bank, has threatened to revoke a pact to roll over the maturing loans of Hyundai's construction subsidiary if the group's restructuring plan proved unsatisfactory.

Hyundai, a typical South Ko-

Thailand, Vietnam  
agree to sell  
rice jointly

BANGKOK, Aug 22: Thailand and Vietnam have officially agreed to jointly sell rice in the world market, as part of an agreement between the two countries on cooperation in trade of agricultural products, the Commerce Ministry announced here Sunday, says Xinhua.

The ministry said in a report that the two countries have agreed to contribute 100,000 tons of rice each for this joint project, and will sign a contract by the end of this month.

The move will help solve the problem of price cutting between the two countries and will boost rice prices in the international market, which is expected to increase incomes of local farmers, according to the report.

It said the two countries will work out a common rice priced based on relevant market rates.

It also estimated that total exports of Thai rice to the world market would reach six million tons this year.

rean conglomerate, is a network of several dozen affiliates interlocked through cross-funding and cross ownership.

Family members of the group control the entire business group by holding large chunks of a few key companies.

South Korea's conglomerates recklessly expanded through cheap loans obtained by collusive relations with past military-backed governments during the nation's boom years until the 1980s.

But sales failed to meet investment when the nation was struck by the regional financial crisis in late 1997, forcing South Korea to accept a \$58 billion bailout from the International Monetary Fund.

The government of President Kim Dae-jung, which took office at the beginning of the Asian financial crisis, has pledged to restructure the nation's inefficient financial sector and the overstretched conglomerates.

After its construction unit received \$167 million in emergency funds from creditors in mid-May, Hyundai announced a restructuring plan that also included retirement of its founder and his two powerful sons -- Mong-ku and Mong-hun, who head the group's carmaking and electronics units, respectively.

Hyundai said it would also sell stock and real estate worth \$4.9 billion in short and medium-term funds, sell Hyundai Elevator Co wholly or partially, and focus on core businesses including automaking, shipbuilding and electronics.

HSBC opens  
Contact Centres  
for Dhaka, Ctg

As part of the plan to develop its Personal Banking services in Bangladesh, Hongkong and Shanghai Banking Corporation Limited (HSBC) recently opened Contact Centres for Dhaka and Chittagong, says a press release.

Existing and new customers can get access to the Contact Centres at any time of the day to enquire about HSBC's Personal Banking products and services including savings and current account, ATM and credit products, and how these accounts can be opened.

Customers can get the information by calling 7113717-8 in Dhaka and 711154 Ext 777 in Chittagong. After the office hours or on any holiday, the phones would be connected to answering machines.

Commenting on the launch of the Contact Centres, KT Ahmed, Senior Management Executive, HSBC said, "Establishing the Contact Centre for the convenience of customers reflects HSBC's commitment to bettering service to our customers."

"HSBC has further plans for improving Personal Banking services with the launch of two new off-site ATMs in Dhanmondi and Uttara in September, 2000," he added.

Thai researchers  
create high  
protein rice  
strain

BANGKOK, Aug 22: Thai researchers have created a new strain of rice with 12 times as much protein as regular varieties, and aim to promote it worldwide, according to a report today, says AFP.

Scientists at Kasetsart University told The Sunday Nation newspaper that the new strain was the most nutritious of the palatable rice strains developed so far.

And it was created not by high-tech genetic modification, but through the natural method of cross-pollination.

Khao Hom Nil, or black fragrant rice, sprang from a variety brought from China to the university's Agriculture Engineering and Biotechnology Centre. Scientists there discovered a mutant strain of the plant was unusually rich in protein.

The variety was not appetising, so researchers cross-bred it with fragrant Thai jasmine rice to create the new strain.

"I can say that Khao Hom Nil is the only rice species in the world that contains 12 per cent protein... and tastes good," said Apichart Vajavichit, the head of the team working on the project at Kasetsart University.

"This is an organic form of cross-propagation, so the results are not GMO (genetically modified organism)," he told the newspaper.

Only one other strain of rice, a wild plant native to Saudi Arabia, contains as much protein, but it does not produce high yields and is not appetising, Apichart said.

The next step will be to alter the colour to white, which is far more popular than coloured rice in Asia, and to find out which gene is responsible for the high protein content.

Apichart told The Nation that the university would soon sign a contract with a company which will produce the high-protein rice commercially.

Mills have already reported good sales of the rice, currently being grown on a trial basis, raising hopes it will be successful on the world market, he said.

Scientists in Asia, where rice is a staple for billions of people, are constantly working to create so-called 'super-rice' strains.

Experts at the International Rice Research Institute in the Philippines have said the region may well have to resort to genetic engineering to boost yields and feed its impoverished millions.



Foreign Minister Abdus Samad Azad visits a stall at the three-day ITEXPO 2000 which began at Dhaka Sheraton Hotel yesterday. — Star photo

Foreign minister advocates  
balanced trade with India

Three-day Indian textile show begins in city

Star Business Report

A three-day long exclusive Indian textile exhibition began yesterday at Dhaka Sheraton Hotel with the participation of 30 companies including some renowned textile producers.

Synthetic and Rayon Textile Export Promotion Council (SRTEPC) of India has organised the exhibition titled "ITEXPO 2000" in collaboration with the Indian High Commission in Dhaka.

Inaugurating the exhibition, Foreign Minister Abdus Samad Azad stressed the need for addressing growing trade imbalance between the two countries.

He said that economic interactions between Bangladesh and India should be balanced, comprehensive and mutually beneficial.

But the trade imbalance between the two countries is increasing and "we have not been able to fully address the issue".

"Bangladesh now imports over US\$1 billion worth of goods from India while it exports only US\$60 million worth of items there a year," he said.

The foreign minister said that this issue should be addressed objectively with the spirit of friendship and understanding.

In this regard, he invited the Indian businessmen and industrialists to come forward to invest in this country and seize the opportunity being offered to foreign investors by Bangladesh government.

"I believe their support would not only narrow the trade gap but also stimulate the economic growth in Bangladesh," Azad said.

Referring to different fiscal reform measures taken by the government, he said: "Now, Bangladesh is one of the most liberal and attractive foreign investment markets in the region."

The inaugural function was also addressed by the Indian High Commissioner in Bangladesh, M. L. Tripathy and Chairman of SRTEPC Gajesh Kumar Gupta.

The High Commissioner underscored the need for exploring the untapped areas of trade between the two countries. Since both the countries realise that complementary economic interactions could be beneficial to them, "we have to pay special attention to further strengthening our economic cooperation and commercial exchanges."

He hoped that the captains of industries and trade in both

the countries could "together identify new areas of common interest, formulate joint strategies and pursue shared objectives."

SRTEPC chairman said the exhibition would feature Indian textile companies including some of the leading ones and put the entire range of the latest Indian synthetic, rayon and blended textile items on display.

"The exhibition will offer the members of the textile community in Bangladesh a unique opportunity to see what India has to offer under one roof," he said.

They would also be able to exchange views with senior representatives of leading companies and conclude mutually profitable business deals, he added.

The companies are displaying different textile items like suitings, shirtings, uniform fabrics, dress materials, polyester-cotton, polyester-viscose, polyester wool, and polyonose yarn.

The Indian companies participating in the fair include Bombay Dyeing, S. Kumar, Sunfabs, Indo Rama Synthetics, JB Exports and Oxford Industries.



T P Biswas, Managing Director of Limo Electronics Ltd, opens a hire-purchase showroom at Bazar Road in Savar recently. Picture also shows S M Nawshar Ali, Director of Marketing, and Mahmudun Nabi Chaudhury, Manager of Marketing at the function. The company is the maker of Nippon TV sets. Limo Electronics Ltd is also the sole distributor of products of Mitsubishi and Kenwood of Japan and Braun of Germany. — Limo photo

Thai non-performing  
loans decline

BANGKOK, Aug 22: Non-performing loans carried by Thai banks declined marginally in July to 34.95 per cent of lending from 35.15 per cent the previous month, in a further sign the economy is recovering — but slowly, reports Reuters.

A central bank release today said total NPLs or bank loans that do not yield any revenue for over three months stood at about 1.49 trillion baht (\$36.57 billion) at the end of July, compared with 1.51 trillion at the end of June.

That banks were flooded with NPLs after the country plunged into financial crisis in July 1997. Thai NPL rate has been steadily but gradually declining as banks finally start to confront the problem.

Samart Buranawattana-

choke of the central bank's

Iran discovers  
large oil  
field

TEHRAN, Aug 22: Iran has discovered an oil field with crude reserves of more than 1 billion barrels, state-run Tehran radio reported Sunday, says AP.

It quoted Mahmoud Mohaddes, director of discoveries at the National Iranian Oil Co., as saying the field was located in southern Bushehr province.

In addition, a gas field containing some 800 billion cubic feet (22.6 billion cubic meters) of gas, also had been found recently, the radio quoted Mohaddes as saying. He said that field, whose location he did not give, could yield 80 million cubic feet (2.27 million cubic meters) of gas per day.

Iran sits atop 90 billion barrels of proven oil reserves, roughly 9 per cent of the world's total.