

Dhaka to get \$12.6m EC aid for river survey

Star Economic Report

The European Community (EC) has approved a river survey project in Bangladesh for a total grant of US 15.5 million Dollars (12.6 million ECU) recently.

An EC source says the project is one of the major projects in the government of Bangladesh's 'flood action plan'.

The main objectives of the project are to collect reliable all season data on the hydrology and morphology of the country's main river system under the flood action plan.

The project plans also to undertake special studies regarding the behaviour of the river system.

Moderate fall in share transactions

Star Economic Report

Transactions at Dhaka Stock Exchange (DSE) on Wednesday witnessed a moderate fall.

Decliners dominated trading. And DSE All Share Price Index lost 1.2667 points to 349.3546 from Tuesday's 350.6213.

The Index is the broad indicator of price movements of all the listed stocks.

In all 4,572 shares and debentures changed hands compared with Tuesday's 5,122. Traded issues valued Taka 2,99,862.00. It was Taka 2,74,945.00 on the previous day.

Transactions involved twenty-five stocks. Of them thirteen lost ten gained and six remained unchanged at their previous quoted prices.

Among the decliners Monno Jutex got the major slash. It lost Taka 50.00 to Taka 350.00.

City Bank declined Taka 8.00 to Taka 265.00.

BHIC Insurance, Peoples Insurance, Aftab Automobiles and Atlas Bangladesh lost Taka 2.00 each to Taka 112.00, Taka 118.00, Taka 208.00 and Taka 118.00 respectively.

Oxygen and Dhaka Vegetable declined Taka 1.83 and Taka 1.73 to Taka 56.67 and Taka 145.27.

Eastern Cables, Quasem Drycells, Zeal Bangla Sugar, Jute Spinners and Beximco Pharma lost within the range between Taka 0.10 and Taka 1.00.

The debentures of Quasem Silk and Apex Tannery moved up Taka 30.00 and Taka 10.00 to Taka 1590.00 and Taka 1035.00 respectively.

N.T.C. in the Food and Allied sector advanced Taka 5.00 to Taka 265.00.

Bengal Food and Chittagong Cement gained Taka 3.00 each to Taka 193.00 and Taka 135.00.

Green Delta Insurance, Ashraf Textile, Salim Textile, Apex Tannery and Monno Ceramic moved up within the range between Taka 0.17 and Taka 1.57.

Quoted Prices of Traded Stocks

May-8

	*PV/ML Closing	**Changes
Banks		
City Bank	1005 265.00	(-8.00)
Insurance		
BHIC	100/10 112.00	(-2.00)
Green Delta	100/10 114.73	(+0.73)
Peoples	100/10 118.00	(-2.00)
United	100/10 120.00	unchanged
Engineering		
Aftab Automobiles	100/5 20.00	(-2.00)
Atlas Bangladesh	100/5 41.00	(-2.00)
Eastern Cables	100/5 76.00	(-1.00)
Monno Jutex	100/5 350.00	(-50.00)
Quasem Drycells	10/50 8.50	(-0.10)
Food & Allied		
Bengal Food	100/5 193.00	(+3.00)
Dhaka Vegetable	100/5 145.27	(-1.73)
N.T.C.	100/5 265.00	(+5.00)
Zeal Bangla Sugar	10/50 9.25	(-0.25)
Fuel & Power		
Oxygen	10/50 56.67	(-1.83)
Jute		
Jute Spinners	100/5 97.00	(-1.00)
Pharm & Chem		
Beximco Pharma	100/5 178.04	(+0.39)
Textile		
Ashraf Textile	10/50 32.25	(-0.25)
Dulam Cotton	100/10 100.00	unchanged
Salim Textile	100/10 85.50	(+0.50)
Miscellaneous		
Apex Tannery	100/5 143.75	(+1.57)
Beximco	100/10 10.00	unchanged
Chittagong Cement	100/5 135.00	(+3.00)
Monno Ceramic	100/5 144.77	(+0.17)
Ummat Glass	100/5 130.00	unchanged
Debenture		
Apex Tannery	100/10 1035.00	(+10.00)
Bengal Food	120/10 1210.00	unchanged
Beximco Pharma	171/4 1735.00	unchanged
Quasem Silk	200/10 1590.00	(+30.00)
* PV = Face Value, ML = Market Lot		
** Changes : Plus sign mean gain and (-) sign loss.		

111 Unchanged stocks include six traded on the day at their previous quoted prices.

DSE All Share Price Index = 349.3546

Issued Capital=Taka 10,146,289,601.00

Market Capitalisation = 9,982,896,604

Turnover = Taka 2,99,862.00 (Value) 4,572 (Volume).

Heavy insurance claims against damages

By Moazzem Hossain

CHITTAGONG, May 8 : The backlash of the devastating cyclone and tidal bore of April 30 will be most trying for the country's insurance and banking sector.

The insurance companies have already received innumerable claims on losses and damages from their clients or parties in and around the Port City and along the coastal belt.

The disaster — the worst recorded in the country both in its intensity and duration — rampaged the industrial units and projects, motor vehicles, ocean-going vessels, coasters and trawlers, machinery and every other installations, stocks of raw materials, finished goods, buildings and other infrastructure in vast coastal tract.

Imported goods valued several hundred crore Takas were also damaged at the sea port. The banks funded in one way or other what were lost in the organised sectors. The insurance companies also extended risk coverage in many cases.

Damages or losses are still a guessing game and quite a substantial area of such damages or losses mostly in organised sectors are insured.

Insurance companies are quite active now with their preliminary exercises on the extent of loss or damage caused to the parties covered under their respective insurance policies. Quite a good number of insurance officials including the high-ups from the head offices in Dhaka have visited the Port City. More are coming to make a first hand assessment about the extent of loss or damages. Even video teams are being organised for the purpose.

The insurance circles here would not like to make any comment at this stage on the amount of money to be involved for settlement of claims. "It is not an easy job because the damage or loss will need to be thoroughly examined and the terms and conditions of individual policy coverage will have to be scrutinised," a senior official of Sadharan Bima Corporation (SBC) told the Daily Star. Furthermore, the claims will involve detailed inspection, surveys and in many cases, joint surveys with the re-insurers", he pointed out.

The SBC, the public sector insurance authority, has a high stake in claims made by the parties because it is involved

both as a primary issuer of insurance policies and a prime organiser of reinsurance operations for other companies in the private sector.

Insurance officials are now in hectic assessment works, visiting the projects and areas covered under their respective policies.

Responsible insurance sources told the Daily Star that the overall claims might involve an amount anywhere between Taka 700 crore and Taka 1000 crore. But they cautioned about making any conclusive assessment on the basis of this "rough reckoning".

One private sector company said that its two dozen clients, big or small, reported damages or losses. Such damages or losses relate to trawlers, deep sea fishing projects, fish processing plants, trawlers, salt crushing units and oil tankers.

Another private company official said, "We have made a very preliminary assessment of damage or loss for the units or property covered under our policies and will follow up this assessment with detailed surveys and inspection. These surveys may take one or two weeks or even more."

The SBC sources reported that the extent of plant or machinery loss and also stock loss for large public sector industrial units like Chittagong Urea Fertiliser Limited (CUFL), Chittagong Dry Dock, Triple Super Phosphate (TSP) plant, Eastern Cables, and GM plant in Patenga and other coastal belt would be properly assessed when their pump houses, generators and other installations were set to order and go-downs were cleared of thick muddy layer. "It is too early for a clear assessment", the sources said.

weeks or even more."

SBC sources reported that the extent of plant or machinery loss and also stock loss for large public sector industrial units like Chittagong Urea Fertiliser Limited (CUFL), Chittagong Dry Dock, Triple Super Phosphate (TSP) plant, Eastern Cables, and GM plant in Patenga and other coastal belt would be properly assessed when their pump houses, generators and other installations were set to order and go-downs were cleared of thick muddy layer. "It is too early for a clear assessment", the sources said.

Responsible insurance sources told the Daily Star that the overall claims might involve an amount anywhere between Taka 700 crore and Taka 1000 crore. But they cautioned about making any conclusive assessment on the basis of this "rough reckoning".

One private sector company said that its two dozen clients, big or small, reported damages or losses. Such damages or losses relate to trawlers, deep sea fishing projects, fish processing plants, trawlers, salt crushing units and oil tankers.

Another private company official said, "We have made a very preliminary assessment of damage or loss for the units or property covered under our policies and will follow up this assessment with detailed surveys and inspection. These surveys may take one or two weeks or even more."

The SBC sources reported that the extent of plant or machinery loss and also stock loss for large public sector industrial units like Chittagong Urea Fertiliser Limited (CUFL), Chittagong Dry Dock, Triple Super Phosphate (TSP) plant, Eastern Cables, and GM plant in Patenga and other coastal belt would be properly assessed when their pump houses, generators and other installations were set to order and go-downs were cleared of thick muddy layer. "It is too early for a clear assessment", the sources said.

depreciation or wear and tear factor, actual extent of loss or damage etc. the sources said. They added, reinsurance operations vary from case to case and year to year as well as the nature of risks involved. As such, it is not possible to assess at this stage the extent of reinsurance coverage for the related units, they observed.

Whatever the picture emerging out of the final and complete assessment and surveys, the hurricane of April 30 will cause a severe jolt to the country's overall insurance industry. A large number of claims have come following the hurricane. Reinsurance coverage, depending on terms and conditions on a case-by-case basis, will of course provide a cushion for the individual companies to absorb the shock effects. As a result, the retained amount of risks within the country by whatever proportions, after reinsurance coverage abroad, will involve a large sum in one-go shot.

The insurance sector apart, the banks and financial institutions have also been exposed to new adversities in the wake of the hurricane. A large amount of bank funds in different ways are involved in projects, units, enterprises or businesses in the affected areas. The sum will run into a

few hundred crore Taka, including investments and working capital support. Recycling of funds will be difficult by the affected units or projects under the prevailing circumstances while fresh credits or funds will be involved to cycle the same back to gear.

Senior officials of different banks are making trips from Dhaka to the Port City to assess the situation in the wake of the hurricane. The Deputy Managing Director of a private sector bank who was here on a visit to Dhaka told The Daily Star that investments worth Taka three crore by his bank in salt projects in Chakoria under Cox's Bazar, and also shrimp culture in the area were washed away.

Besides, there are other economic activities supported by the bank which were severely disrupted by the tornado, he said. "We will have to consider credit rescheduling and provide also some fresh funds to resuscitate the related units", he added.

Similar rescheduling or funding operations will also be involved for other banks including the large nationalised (DFIs), the local banking circles observed.

Snippets

Canadian dollar unchanged

TORONTO, May 8 : The Canadian dollar was unchanged in thin listless trading, continuing to hold to a tight 15 basis point range, dealers said, reports Reuter.

Traders described dealings as apathetic and directionless. Volumes were thin but Canadian Eurobonds continued to give solid support. "It seems everyone and their dog is in the Eurobond Market," one dealer said.

The Canadian dollar was at 1.1508/13 US dollars after opening at 1.1495/00 and closing Monday at 1.1510/15. Traders said the market was not yet looking at Friday's Canada April jobless data, expected to rise 10.6 pct from 10.5 pct.

Accord on 300-bed village in Vanuatu

PARIS, May 8 : The world's leader in holiday villages, Club Meditterrane, is to set up a 300-bed village in Vanuatu under a contract signed Tuesday with Compagnie Des Chargeurs Caledonians (Caledonian Shipping Company), reports AFP.

The holiday village is to be built at Erui, about 20 minutes from Port Villa International Airport, and is scheduled to open at the end of next year, drawing clients from Japan, Australia and New Zealand. The investment cost of the French project was not immediately known.

China's imports, exports value rises

HONG KONG, May 8 : The value of both China's imports and exports rose in March when compared with a year earlier, the Beijing-funded China News Service (CNS) said, reports Reuter.

CNS quoted the China State Statistical Bureau as saying the value of imports in March rose 27 pct to 4.9 billion US dollars from a year earlier. The value of exports was up 14.1 pct to 5.4 billion dollars in March.

Combined exports to Hong Kong and Macau amounted to 2.3 billion dls, up 26 pct from the previous year. Imports from the two colonies rose 21 pct to 1.2 billion dls, CNS said.

Influx of Vietnamese migrants Hong Kong

HONG KONG, May 8 : Hong Kong on Tuesday recorded the highest daily arrival of Vietnamese in almost two years, triggering fears the British colony may soon be unable to cope with the influx, reports Reuter.

A total of 378 Vietnamese had docked in Hong Kong in eight boats by Tuesday afternoon, the largest group in one day since August 1989, a Government spokesman said.

"Urgent arrangements need to be put in place to return non-refugees as soon as possible if the increasing burden on Hong Kong is to be kept to a manageable size," said Refugee Coordinator Clinton Leeks.

Indian firm awarded Kuwaiti contract

PARIS, May 8 : A five million-dollar-worth contract was given by Kuwait to an Indian company for communications on setting up a telephone network, a daily reported here, reports MENA.

"Liberation" newspaper reported yesterday that the same company won another contract of three million dollars worth before the outbreak of the Gulf War.

Indian Minister of Commerce Subramanian Swamy visited Kuwait last week to offer the country's help in the reconstruction of Kuwait after the Gulf War, the paper added.

Israeli settlements condemned

HARARE, May 8 : A group of Third World countries on Tuesday presented a resolution condemning Israeli settlement since occupied territories to a United Nations Housing Conference, reports Reuter.

Algeria, China, Egypt, Indonesia, Iraq, Jordan, Libya, Sri Lanka, Tunisia and the United Arab Emirates proposed that the World Conference on Human Settlements — attended by 76 states — should urge UN Secretary-General Javier Perez de Cuellar to address the housing needs of Palestinians.

Coca Cola for lifting of Arab boycott

ATLANTA, May 8 : Coca-Cola Co which has gradually worked its products back into much of the Arab world despite an Arab League boycott, said on Sunday it would be very pleased if the declared boycott had been lifted, reports Reuter.

Carlton Curtis, Coca-Cola's Vice-president for Public Relations, told Reuters the world's largest soft drink company had received no official notice it was dropped from the Arab League's boycott