

Private sector investment in infrastructure units needed

An innovative approach to private sector investment in infrastructure projects has, gained wide currency in most developing countries. The reason for this is quite understandable in the changed global economic environment.

Bangladesh rigidities, cannot certainly shut its eyes and pursue its own anachronism, without taking the signals of the time into consideration, according to Dhaka Chamber of Commerce and Industry (DCCI) monthly review, October 1992.

Sound infrastructures like sufficient power, adequate and effective transportation modes, efficient telecommunications, safe water supply etc. are a prerequisite for sustainable development, says DCCI.

South Asia, South East Asia and the Far East, have already instituted massive infrastructure development programmes, based solely or mainly on private sector investment on the model of what is known as Build-Operate-Own (BOO) or Build-Operate-Transfer (BOT). China, Malaysia, Thailand, the Philippines and, of late, India, Sri Lanka and Pakistan are using such models or their variants, informs DCCI.

The basic characteristic of BOO/BOT lies in the establishment of arrangements by the government to grant long-term, irrevocable concession arrangements or franchises to private investors (both foreign and local), authorising them to build, own, operate needed infrastructure in return for an exclusive contract to provide services over a time period sufficient to amortize the capital investment costs and, thus, guaranteeing them sufficient

revenue stream, says DCCI. Under a BOO/BOT approach, sponsors from the private sector are authorised to create a 'project company' to build a project. This project company consists usually of a consortium of companies — typically engineering, construction and supplier firms. It raises the bulk of the financing required for the project from commercial lenders, often supported by export credit guarantee agencies and from bilateral and multilateral financial institutions. The project company owns and operates the facility, according to DCCI.

Under a BOT, a transfer is to occur after a period of time, called the concession period, to the government or possibly a local company. In a BOO, there is no transfer and the project company retains ownership indefinitely.

DCCI says, for examining the rationale for private sector investment in infrastructure under BOO/BOT approaches or their variants, now needs to be focused. Insufficient government and donor resources are one reason. Until now, government's budgetary resources and Official Development Assistance (ODA) have financed almost the entire infrastructure investments in the country. But such resources are obviously insufficient now to develop new and competitive systems of infrastructures and also invest in maintenance and rehabilitation of older facilities.

And reductions in ODA budgets globally and competition for additional ODA resources among recipient countries have exacerbated the situation. Non-performing or failing infrastructure under the exist-

ing conditions represents further an enormous drain on the national economy. Inefficiency, irregularities, bureaucratic procedures and other implementation problems for the 'aided' projects are also critical constraints for all our public sector development programmes, according to DCCI.

It is in this context that the alternative strategies for use of 'public-private partnership' in infrastructure development merit attention. This will also conform to an apparent commitment by the government to promote private enterprise and market-oriented approaches to economic development.

Scarce government resources can then be freed up and channelised into vital social sector programmes such as health and education, suggest DCCI.

The potentials for viable BOO/BOT projects, given the support of an effective policy and institutional environment, and also adequate business operational environment, are otherwise bright in Bangladesh, particularly in view of the projected demand for infrastructural services. But we also understand that no dramatic results are likely for us, at least in the short term, says DCCI.

Such projects will not occur overnight, for a wide variety of factors. Projects, to be developed under BOO/BOT and other variants of private sector participation in infrastructure development, must meet the dual objective of providing a valuable public service while maintaining commercial viability, serving, therefore, the mutual needs of the government, the private (both foreign and

local) investors and the consumer.

All or most of such project financing are through non-recourse or limited recourse debt, not supported by sovereign guarantees. So they must fulfil the condition of providing the opportunity to earn a reasonable rate of return, given the market conditions and the cost of political and financial risks.

For effective foreign participation in BOO/BOT projects, the country will need to place ourselves in the outside world favourably in terms of stability and good business opportunities. There is a strong competition here from neighbouring countries who also need similar investment in infrastructure, according to DCCI.

BOO/BOT will furthermore need to be developed appropriately to suit our economic and business environment.

Time has come to examine the need for private sector involvement in viable infrastructure projects to develop BOO/BOT models or their variants in the changing global and regional contexts, observes DCCI.

This will, in the process, help identify and develop economically and financially viable projects in the future, with the help of appropriate strategies and techniques, for their implementation.

Small 'demonstration' projects at his stage, with all incentives and facilities, can be considered very important. Such projects will ultimately provide an opportunity to evolve a suitable process mechanism for larger projects in this context, concludes DCCI.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels at on 02/11/92

Berth no	Name of vessels	Cargo	Local agent	Local agent	Date of arrival	Leaving
J/1	Symples	Wheat(P)	Damam	Dynamic	21/10	4/11
J/2	Lamda	Wheat(P)	Monka	Dynamic	19/10	5/11
J/3	Johanna K	Wheat(P)	N Orle	Alamin	9/10	5/11
J/5	Jarab-1	GL	Bans	MMI	2/11	5/11
J/6	Flonar	Salt(P)	N Fert	MSA	30/10	12/11
J/7	Ranger	S Wood	Hald	Lufail	1/11	4/11
J/8	Banglar Gounab	Cement	Hong	BSC	3/11	
J/9	Urus	GL	Parj	BBA	29/10	5/11
J/12	Haight	Fert (P)	Tempa	SST	19/10	4/11
J/13	Ingenuity	Cont	Sting	RSL	2/11	
MPB/1	NGS Express	Gont	Sting	BDSHP	1/11	5/11
MPB/2	Ahler Broeze	Cont	Pisa	RSL	2/11	3/11
CCJ	Safina-e-Najam	C Clinic	-	ASL	R/A	3/11
GSJ	Banglar Kiron	Repair	Col	BSC	23/10	4/11
RM/6	S E Haider	Cement	Kara	ASL	R/A	12/11
DOJ	Banglar Jyoti	C Oil	-	BSC	R/A	
ED	Al Reza	Repair	Pada	KSL	18/10	8/11
DDJ/1	Endurance Sea	Repair	Agaba	EOSL	25/1	6/11
RM/8	Al Salma	Repair	Hong	ASL	13/10	5/11
RM/9	Banglar Urmil	GI	Col	BSC	21/10	3/11
CUFJ	Al Tafair	Urea	Viet	KSL	24/10	9/11

VESSELS DUE AT OUTER ANCHORAGE

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading port
Easter Pearl	4/11	-	BBA	GI	-
Fong Shin 22/10	4/11	Sing	BDSHP	Cont	Sing
Kosmopolits	-	-	-	-	-
Belourasi	5/11	Cal	CT	Mustered Seeds	-
Sae Byol	5/11	H&H	H&H	Cement	-
Hafez	5/11	Mong	SSL	CL	Abbas
Nikos-N	5/11	Sing	BSL	Wheat	Cig
Kota Buana 27/10	6/11	Sing	CTS	Cont	Sing
Chestnut Hill	6/11	N Orle	Lams	Wheat	Cig
Banglar Robi	6/11	-	BSC	GI	-
Krarabierrett	6/11	-	EBPL	GI	Japa Fe
Banglar Doot	7/11	-	BSC	GI	-
Mezhure Chensk	7/11	Sing	Prog	GI	New York
Damon	7/11	Mers	Royal	Wheat (P)	-
Vishva Mamata	8/11	Mad	SSL	GI/GL	Japa
Samudra Rani	8/11	-	SSL	-	Karachi
Shenton 31/10	8/11	Sing	Omnit	Cont	Sing
Hang Loy	9/11	-	H&H	Cement	-
Stonewall Jackson	10/11	-	Karma	GI	New York
Samudra Raj	10/11	-	SSL	GI	-
NGS Rangor 31/10	10/11	Sing	BDSHP	Cont	Sing
Scandinavian Express	11/11	-	SSL	GI	-
Vishva Parag	12/11	-	SSL	-	Dundee Ant
Optima 2/11	12/11	-	RSL	Cont	Sing
Fong Yun (Cont) 2/11	12/11	-	BDSHP	Cont	Sing
Petr Starostin 18/10	15/11	Sing	CT	Cont	Sing
Shapleaverett	16/11	-	EBPL	GI	Japa Fe
Weiser Star 31/10	16/11	Sing	BDSHP	Cont	Cal
Soarer Bellona	17/11	-	Dynamic	Wheat(P)	-

TANKER DUE

Name of vessels	Date of arrival	Local agent	Cargo
Maritime Pride	3/11	Seacom	CSO
Ajon	4/11	CT	Palm Oil
Consciana	7/11	Sing	ECSL

VESSELS AT KUTUBDIA

Name of vessels	Cargo	Last port	Local agent	Date of arrival
TT Energy	C Oil	Col	NNI	27/4
Arti	Wheat(P)	Damam	SeaCoast	30/10

VESSELS AT OUTER ANCHORAGE

READY ON

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Ronald	C Clinic	Col	UMAL	8/10
Banglar Shourabh	C Oil	-	BSC	R/A

VESSELS NOT READY

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Giannis NK	Wheat(P)	Jedda	Dynamic	31/10
Neptune Perioot	C Peas	Poland	MSA	2/11
Thalia	Wheat(P)	Derm	Alamin	3/11

VESSELS AWAITING INSTRUCTION

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Banglar Asha	-	-	BSC	R/A(28/10)
Artemis-1	Cement	-	Bright	R/A(2/11)

VESSELS NOT ENTERING

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Mallowverett	Scraping	Call	EBPL	R/A(27/10)
Tanary Star	Cement	T Pri	PSAL	31/10

The above were the Tuesday's Shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Price Index

Essentials	Kasari	FRUITS	15.00-16.00
RICE (Taka per kg)			
Amr(11nc)	16.00-17.50	Green Coconut (Small)	5.00-6.00
Pajon	13.00-13.75	Coconut (Large)	8.00-10.00
VEGETABLES (Taka per kg)			
Potato (Jool)	11.00-12.00	Pineapple	12.00-15.00
Brijjal	8.00-12.00	Banana : (4 pieces)	12.00-15.00
Karolla	10.00-12.00	Sagar (Large)	3.50-4.00
Lalchak	4.00-6.00	Chapra	3.50-4.00
Pappa	5.00-7.00	Dates	NA
Green Banana (Four Pieces)	4.00-6.00	OIL (Taka per litre)	
OTHER FOODGRAN (Taka per kg)			
Flour	13.50-14.00	Mustard	53.00-55.00
Atta	11.00-11.50	Soyabean	38.00-39.00
BRISK (Taka per kg)			
Kash(1kg)	160.00-170.00	Coconut (Colombo)	90.00-100.00
Kash(1/2kg)	90.00-100.00	Vegatable Ghee (1kg)	48.00-52.00
Nilha	48.00-50.00	SPICES (Taka per kg)	
Purgan	110.00-120.00	Onion (local)	10.00-10.50
Shrimp(1kg)	100.00-120.00	Garlic (local)	26.00-35.00
Singi	90.00-100.00	Chillies (local)	25.00-35.00
Koi	110.00-120.00	Turmeric(Local)	48.00-52.00
MEAT		Green chillies	15.00-20.00
Beef	55.00-60.00	Ginger	18.00-22.00
Mutton	85.00-90.00	Cinnamon (10gm)	3.00-3.50
CHICKEN		MILK (Two kgs)	
Large	62.00-64.00	Daw	324.00-325.00
Moderate	66.00-68.00	Red-Cow	320.00-321.00
Small	70.00-72.00	MISCELLANEOUS (Taka per kg)	
TEA		Ghee	220.00-240.00
Dust (Plain)	80.00-90.00	Salt	7.50-8.00
EGG (4 per)	12.00-12.50	Sugar	31.50-33.00
Hen	12.50-13.00		
Duck	12.50-13.00		
Firm	12.50-13.00		
PULSES (Taka per kg)			
Mashur	29.00-30.00	Gold (Guinea)	6200.00
Mooch	34.00-35.00	Silver	200.00
Chholia	22.00-24.00		

Gold & Silver

Currency	Selling B. C.	T. T. (C)	Buying Transfers
US Dollar	39.1326	38.9087	38.6339
Poundsterling	60.8717	60.5532	60.1486
DM	25.3778	25.2163	25.0382
FF	7.4716	7.4246	7.3722
S Riyal	10.4641	10.4042	10.3307
D Kroner	22.5483	22.4064	22.2481
S Dronger	6.7336	6.6894	6.6421
Singapore Dollar	24.1649	24.0266	23.8569
UAE Dirham	10.6911	10.6299	10.5648
Kuwait Dinar	132.4717	131.7137	131.7835
Indian Rupee (AMU)	1.5104	1.5035	1.4960
Pak Rupee (AMU)	1.5490	1.5408	1.5331

Exchange Rates

The following are the Commercial Bank's BC selling and TT (C) OD transfer buying rates for some selected foreign currencies effective on November 2 and 3.

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US Dollar	39.1326	38.9087	38.6339
Poundsterling	60.8717	60.5532	60.1486
DM	25.3778	25.2163	25.0382
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Indian Rupee (AMU)	1.5104	1.5035	1.4960
Pak Rupee (AMU)	1.5490	1.5408	1.5331

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad. Note: AMU—Asian Monetary Union.

Dhaka Stock Prices

At the close of trading on November 3, 1992

Surprise rise in gainers

The share market at Dhaka Stock Exchange on Tuesday showed negative signs. Both the turnovers fell against Monday's finish. Volume lost by 12.28 per cent from 37,546 issues to 32,935 issues. Value in the same manner lost 9.78 per cent from Taka 4013217.00 to Taka 3620425.00.

A substantial rise in number of gainers was quite surprising. A total of 38 gainers showed up against Monday's 32. Losers totalled only five while seven shares traded at previous rates. The index, still rising, ended at 369.8732 from Monday's 367.1990, an addition of 2.67 points.

DAY'S TRADING AT A GLANCE

DSE All Share Price Index	369.8732
Market Capitalisation Tk	10,573,577,659.00
Turnover in Volume	32,935
Turnover in Value Tk	3620425.00

Company	FV/ML	Previous price Tk	Closing price Tk	Change (absolute) Tk	Change (% over price)
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Gains (38)					
Shares :					
IFC	100/5	175.00	178.00	3.00	1.715
Islami Bank	1000/1	1677.50	1700.00	22.50	1.342
1st ICB M Fund	100/5	360.00	365.00	5.00	1.389
2nd ICBM Fund	100/5	163.97	165.00	1.03	0.629
3rd ICBM Fund	100/5	148.39	151.76	3.37	2.273
5th ICBM Fund	100/10	98.36	100.67	2.29	2.328
6th ICBM Fund	100/10	64.13	65.92	1.79	2.792
BGC	100/10	148.72	150.21	1.49	1.004
Green Delta	100/10	161.00	161.81	0.81	0.504
Peoples Ins	100/10	162.82	164.92	2.10	1.415
United Ins	100/10	48.			