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Japan to revise upward current account surplus

TOKYO, Dec 20: The Japanese government will revise upward its estimate of the country's current account surplus for the year to March from 115.5 billion dollar to a record 135 billion dollar, it was reported today, reports AFP.

The leading economic daily Nihon Keizai Shinbun said the revision stems mainly because of the "J-curve" effect, a graphic description of a country's basic

trade balance after its currency weakens sharply.

As a weaker currency raises import prices and reduces export earnings, the current account deteriorates at first but it gradually improves as imports fall and exports rise to reflect the change in competitiveness.

The newspaper said Japan's surplus was likely to fall from a year earlier in the January-March period, but the record 135 billion dollar posted in the first half-year of fiscal 1993 would almost certainly ensure that the figure for the whole year exceeded last fiscal year's all-time high of 125.9 billion dollar.

Law suit against ex-BCCI executives filed

ABU DHABI, Dec 20: The majority shareholders of the collapsed Bank of Credit and Commerce International (BCCI) today filed a civil law suit against its former executives for damages of nine billion dollar, reports AFP.

The Abu Dhabi ruling family and the Abu Dhabi Investment Authority (ADIA) filed in court here against the Pakistani founder of BCCI, Agha Hassan Abedi, and 12 other former executives, the shareholders said.

The government will also revise upward its projection of the nation's trade surplus to around 145 billion dollar from an initial 135 billion dollar, the daily said.

The current account surplus is expected to shrink in fiscal 1994 because of sluggish exports, reflecting lower competitiveness of Japanese-made goods as well as more production abroad by Japanese manufacturers.

US dollar surges to 6-month high in Tokyo

TOKYO, Dec 20: The US dollar surged to a six-month high against the Japanese yen Monday, while the Tokyo Stock Exchange's key index dropped more than 3.5 per cent on profit-taking, reports AP.

The economy with measures such as cutting taxes and encouraging land transactions.

"We can't find any reason to buy yen right now," said Yukio Uchibori, a Dai-ichi Kangyo Bank dealer.

The dollar closed at 110.27 yen, up 0.43 from Friday's finish and higher than its late Friday New York level of 110.18 yen. It opened at 110.05 yen and ranged between 110.02 yen and 110.30 yen.

It was the first time the dollar had finished above 110 yen since June 23, when it closed at 110.57 yen.

Speculation about a possible cut in the Bank of Japan's key lending rate, which stands at 1.75 per cent, also favoured the currencies of the United States and Germany, which have higher interest rates, Uchibori said.

Worries about political confusion in Japan continued to encourage yen selling, dealers said.

Senior members of Prime Minister Morihiro Hosokawa's coalition have suggested that he might dissolve Parliament and call a general election if his political reform legislation fails to pass by the end of January.

Higher interest rates make a nation's currency more attractive to investors.

Spot trading totaled 4.42 billion dollar, down from Friday's 6.29 billion dollar.

On the stock market, the 225-issue Nikkei Stock Average lost 647.67 points, or 3.59 per cent, closing at 17,404.24. On Friday, it had gained 262.63 points, or 1.49 per cent, to 18,051.91.

The Tokyo Stock Index of all issues listed on the first section fell 43.22 points, or 2.90 per cent, to 1,447.25. It had climbed 16.26 points, or 1.10 per cent, to 1,490.47 Friday.



Roshanally M.H Hirji, Chairman, MIDAS board, formally declaring the three-day workshop on "marketing research" in the city on Sunday. Business Advisory Services Centre (BASC) organised the workshop.

Office of the Executive Engineer, RHD Ferry Division, Barisal (RHD), Tender Notice

- Tender Notice No. 88 of RHD, Ferry Division, Barisal/1993-94.
- Name of work As described below.
- Availability of tender schedule (1) Executive Engineer, Mechl. (RHD), Ferry Divn, Barisal. (2) Sub-Divisional Engineer, Mechl. (RHD), Ferry Sub-Divn, Faridpur (only office hours. No tender will be sold on the date of opening tender schedule).
- Tender receiving officer (1) Superintending Engineer, Mechl. (RHD), Ferry Circle, Khulna. (2) Executive Engineer, Mechl. (RHD), Ferry Divn, Barisal.
- Last date of selling tender schedule 26-12-93 (Office hours only)
- Date and time of opening tender 27-12-93/13-9-1400 at 1 PM.

| Group No. | Name of work | Estimated cost |
|-----------|--|----------------|
| 1. | Supplying spare parts for propulsion unit of 75 HP/ 120 HP Ford/ New Ford engine for different ferries of Bhanga-Mawa Road under Ferry Sub-Divn, Faridpur during the year 1993-94. | Tk. 1,34,400/- |
| 2. | Supplying electric spare parts of 75/ 100 H.P./ Ford engine of different Ferry Ghat under Ferry Sub-Divn, Faridpur during the year 1993-94. | Tk. 2,10,200/- |

MD. HUMAYUN RASHID KHALIFA
Executive Engineer, Mechl. (RHD), Ferry Divn, Barisal.

DPP (G) 20008-15/12 G-1743

Tea export rises by 8m kgs

From Nurul Alam

CHITTAGONG, Dec 20: The country's tea export has recorded an increase of about eight million kilograms in seven months of this season compared with corresponding period of previous season.

According to official reports, a total of 17.01 million kgs of tea were exported during the seven months from April to October this year as against 9.83 million kgs during the corresponding period of previous year.

The season for auction sale here normally begins from April in every year and ends in March of next year.

According to officials and brokers, better enquiry from foreign buyers helped boost tea export from Bangladesh.

A senior official of state-owned Bangladesh Tea Board said "with the active participation of more foreign buyers and re-entry of Poland, Russia and other CIS countries in tea auctions here led to boost sales and prices."

"From the beginning of the season this year in April, our tea market witnessed a brisk trading with the improvement of demand and price," the officials added.

He opined that tea export

from Bangladesh might be raised if hectic campaigns could be made in the global markets.

Talking to the Daily Star, a director of a leading tea broker house said "our team met with far better demand and price this season compared with previous season in 1992. We can say that our tea has recaptured the global markets," he added.

Bangladesh tea suffered a debacle during last season following the collapse of the Soviet Union. Nearly 50 per cent of total offerings in every weekly tea auction here used to remain unsold. But in the current season the average withdrawal rate

came down below 20 per cent, brokers sources said.

The average price was recorded at about Tk 50 per Kg in the current season as against Tk 45 the previous season, market sources said.

Meanwhile, the tea output also recorded a rise this year as favourable climate prevailed, tea producers sources said.

According to reports available here, Bangladesh produced 43.3 million kgs of tea in January to October this year, up from 41.9 million kgs produced during the same period of previous year.

BGSL earns Tk 183.10 cr revenue

Bakhrabad Gas Systems Ltd (BGSL) has earned a revenue of Taka 183.10 crore by selling 1,522 million cubic metre of gas during the financial year 1992-93, says a press release.

This was apprised at the 13th annual general meeting of BGSL held on Saturday with A M Jalaluddin Ahmed, Additional Secretary, Energy and Mineral Resources, and Chairman, BGSL, in the chair.



BCI, SEC discuss development of capital market

A meeting between a delegation of Bangladesh Chamber of Industries (BCI) and the newly established Securities and Exchange Commission (SEC) held at the commission's office on Saturday discussed wide-ranging issues concerning the development of securities and capital market, reports BSS.

The BCI delegation was headed by its Senior Vice President Sharif M. Afzal Hossain while the SEC team was led by Sultan-uz-Zaman Khan as its Chairman.

Among the specific issues discussed were the ways and means to motivate companies for public offer of securities, simplification of procedures for granting permission for capital issues, removal of impediments to joint venture/foreign direct investments, fiscal incentives for securities investment, possibility of joint floatation of securities through Dhaka and foreign stock exchanges, according to a press release.

Taiwanese women activists, demanding the revision of a law to bar Taiwanese businessmen from having another wife in China, demonstrate outside a meeting hall in Taipei Sunday where the second day of the China-Taiwan talks were underway. Chiu Chang (2nd r), a lawyer and activist said due Taiwan's non-recognition of the communist legal system in China after the 1949 civil war, a number of Taiwan men are legally able to marry one woman on each side of the Taiwan Strait.

Bombay bond scam

BOMBAY, Dec 20: A parliamentary committee probing India's biggest financial scandal is expected to blame foreign banks for initiating the 1.28 billion dollar fraud when it presents its final report tomorrow, bankers said, reports Reuters.

The Reserve Bank of India, itself likely to come in for criticism for failing to prevent the scandal that rocked both the government and financial markets, is expected to announce penalties for banks involved once the report is published.

But political sources say the final version of the report is highly watered down and pulls its punches about key officials originally accused of negligence or failing to do their job in clamping down on banks and brokers involved in the fraud.

Members of the ruling Congress Party on the investigating committee have succeeded in preventing damning criticism of Finance Minister Manmohan Singh, who was accused in draft reports of negligence.

Congress member Mani Shankar Aiyar said opposition members on the committee had conducted a "meaningless witch-hunt of Dr Manmohan Singh".

"We opted to become a little hazy when talking about the Finance Minister in our bid to stop him from resigning," communist parliamentarian Gurdas Dasgupta told the Sunday Observer.

"We did not want him to resign because it was felt that he is indispensable to the nation."

China's move to protect Taiwanese investment

BEIJING, Dec 20: Communist China on Monday submitted a draft law to its national legislature that would guarantee legal protection for investment from Taiwan, the official Xinhua News Agency reported, reports AP.

The draft law would treat investment from Taiwan as "special domestic investment," distinguishing it from foreign investment, Xinhua said. That concept reflects the government's policy that Taiwan is a renegade province of China.

The report stressed, however, that Taiwan investment would not be subject to nationalization.

Under the draft legislation, all profits from investments and other legal income could be taken from the mainland, Xinhua said.

A Taiwanese company applies to invest.

Reports from Taiwan say approved investment in China totalled 2.8 billion dollar through October this year. Actual investment is higher as many Taiwanese businessmen do not report their investments.

The mainland has eased restrictions on Taiwanese investment in recent years despite continued disagreement between the two rival governments on each other's political status.

Jobless rate may grow

Another report says: China's unemployment rate is expected to grow next year as the government adopts further market reforms aimed at making state enterprises more competitive, an official newspaper said Monday.

The urban unemployment rate rose to 2.6 per cent this year, up from 2.4 per cent last year, the China Daily reported, quoting Zhang Xiaojian, director of the Labour Ministry's employment department.

He said there were now four million unemployed people in Chinese cities.

Inman favours closer US-Japan trade ties

WASHINGTON, Dec 20: As Bobby Inman ponders the moves he would make as defence secretary, he may be thinking of Japan — not so much the US-Japanese defence alliance as the unusual cooperation between Japanese government and private industry, reports AP.

Inman touched on the subject in remarks at the White House on Thursday when President Clinton announced his choice to replace Defence Secretary Les Aspin. Inman spent 31 years in the Navy and the past decade in private business.

"In these last 10 years I've learned a lot about how business works, and I would hope to spend a lot of my time on bringing best business practices to the Department of Defence," Inman said.

Inman is known as a strong advocate for overhauling the way the Defence Department buys things, and how it deals with the thousands of US companies that form the defence industrial base.

These issues are of growing importance as the government struggle to keep a strong supplier base while cutting defence purchases and research spending. Some fear the United States military, technological edge over other nations could be one of the eventual victims of the Cold War's end.

Coal mining in Bangladesh: Resources in North Bengal

By Dr. Badrul Imam

The possibility of occurrence rich deposits of coal beneath the alluvial plain of North Bengal was predicted more than 150 years ago. Rupert Jones, a celebrated British geologist, while working on the Raniganj coal field area of West Bengal made the above prediction in the Journal of Asiatic Society in 1829.

The Geological Survey of India was established in 1855. In 1856 another renowned geologist of the organization made a simple geologic correlation of the crustal features beneath the Bengal plains and interpreted that Raniganj like coal basin should be lying beneath the area of Bogra-Dinajpur-Rangpur of North Bengal.

It was not until 1959, almost a hundred years later, that the above prediction was tested and proved right. In 1959, the first exploratory well drilled in North Bengal by the American Standard Vacuum Oil Company encountered coal horizon at Kuchma well in the Bogra district. The coal seam discovered at Kuchma well occur at a depth of about 2380 meter below surface, too deep for commercial exploitation.

Encouraged by the above finding, effort of discovering coal deposit at shallower depth was initiated in the North Bengal in 1961 and under the sponsorship of United Nations, the Pakistan Geological Survey undertook a coal exploration programme known as UN-Pak Mineral Survey Project. Under this project, 10 wells were drilled in Jamalganj-Jaipurhat area of Jaipurhat district and a second coal deposit was discovered in this area, this time at a much shallower depth of about 640 meter to 1100 meter beneath the surface. The economic feasibility of exploiting the Jamalganj coal has been studied for good many years without a consensus of opinion in favour of mining the coal from the above depth.

Discovery of two coal bearing basins in the North Bengal gave the Geological Survey of Bangladesh, enough merit to launch extensive geological and geophysical exploration aimed at finding coal deposit at even shallower depth. This programme was assisted by the financial aids from the Asian Development Bank and achieved success in 1985 when rich deposit of coal was discovered at Barapukuria in Dinajpur district. At a very shallow depth of about 130 meter below surface. This discovery was a major achievement of Geological Survey of Bangladesh as it opens up the door whereby Bangladesh could practically enter into a coal mining era.

Continuation of this exploration programme as further led to the discovery of a fourth coal deposit at Khalashpir in Rangpur district in 1989 also at a very shallow depth of only 254 meter below surface (see table). In addition, the above survey has detected the existence of 11 Gondwana basins in the North Bengal in which drillings could discover further coal deposits.

What is the origin of the coal deposits in the North Bengal, why are these concentrated in the North Bengal and what are the chances that such coal deposits be found in other parts of Bangladesh — to the south or to the east, for example? These questions may be answered with a brief summary of the geologic history of the land.

It all happened in the long gone geologic past — during the geologic period called "Permian Period" about 290 million years ago. As the theory goes, the North Bengal (Bogra-Rangpur-Dinajpur area) along with the Indian mainland, at that time, was joined to and was a part of the "Gondwanaland" — a super-continent formed by the combined landmass of Australia, South America, Africa and Antarctica and lying far off to the southern hemisphere.

Fantasy it may seem that the Dinajpur-Rangpur area was once part of the Australia-South America-Africa combined landmass, the geologists have enough reason to believe that during the Permian Period (a time span between 250 to 290

million years before present), thick forest with swampy wetlands existed as pockets of basins scattered all along the Gondwanaland. These were the depressions where the vegetation materials of the swampy forest were deposited along with sands and clay sediments. As these materials were subsequently buried beneath further overburdened sediments, the vegetation materials were turned into coal, the sands became sandstones and the clays became shales.

This sequence of layers of coal, sandstones and shales of the Permian Period is known as the Gondwana sequence and the basins into which these rocks were deposited are known as Gondwana basins — after the name Gondwanaland into which the above events took place. The physical break up of the Gondwanaland into fragments of landmass about 150 million years ago and subsequent drifting of the landmass fragments away from each other separated Australia, South America, India and Africa and brought them to their present positions, but the origin of the Gondwana coal basins in all of these continents had been a singular event in the broad context of geologic past.

It is this geologic theory that the previous scientific prediction of occurrence of coal basins beneath the North Bengal similar to Indian coal basins, was based upon. According to the above, the land area of eastern, southern or middle part of Bangladesh was non-existent at the time when the North Bengal was a Gondwana coal bearing landmass. As such, the possibility of finding Gondwana coal is nil in the southern and eastern Bangladesh.

| Location | Year of discovery | Discoverer | Depth of coal seams (meter) | Estimated Reserve (million metric tons) | Mining feasibility |
|------------------------|-------------------|-----------------------------------|-----------------------------|---|---|
| Kuchma (Bogra) | 1959 | Standard Vacuum Oil Company (USA) | 2380 to 2876 | Not estimated | Economic mining not feasible |
| Jamalganj (Jaipurhat) | 1962 | Pakistan Geological Survey | 640 to 1158 | 1053 | Economic mining not feasible; Methane gas extraction economic |
| Barapukuria (Dinajpur) | 1985 | Geological Survey of Bangladesh | 129 to 506 | 300 | Economic mining feasible |
| Khalashpir (Rangpur) | 1989 | Geological Survey of Bangladesh | 257 to 450 | 400 | Economic mining feasible |

Exploration of coal is primarily based on the detection of Gondwana basin which is generally done by geophysical gravity and seismic methods in areas of alluvial covered plain land like the north Bengal. The presence of coal beds may then be confirmed by drilling into the basin. The four Gondwana basins that have been tested by drillings in the North Bengal have each encountered large deposits of coal although at different depths. Out of these four deposits, immediate exploitation of coal from the two, namely Barapukuria and Jamalganj are being considered — the former for coal mining and the latter for methane gas extraction.

Barapukuria coal deposit: Discovered in 1985 in the Parbatipur Thana of the Dinajpur district, this coal deposit has an areal extent of about 3 sq. km with the coal seams lying between 129 meter to 506 meter below surface. There are six coal seams and the average cumulative thickness of the coal seam over the basin

is about 51 meter; the seam no. 6 is the thickest with an average thickness of 36 meter. The total reserve of coal in the Barapukuria deposit is about 300 million metric tons with the deepest coal seam 1.e seam no. 6 containing the major part of the reserve. This coal deposit has been tested positive as to economic mining feasibility by several international mining consultants including Wardell and Armstrong (UK), Rein Braun Engineering (Germany) and Central Mine Planning Design Institute (India).

The Government is actively preparing for entering into a coal mining era by opening up the first coal mine in Bangladesh at Barapukuria soon. A suppliers credit agreement with the Chinese government has been signed for technical and financial assistance for establishing the mine. A production level of one million tons of coal per year could be sustained for about 30 to 50 years depending upon the method of mining. This will create job for thousands of people and the long drawn disparity of supply and consumption of energy resources between the eastern and western part of Bangladesh (Jamuna river in between) would be mitigated. It is expected that the quiet little village of Barapukuria will, soon be turned into a centre of coal mining industry before long.

Jamalganj coal deposit: Discovered in 1962 in the Jaipurhat district, the Jamalganj coal deposit is so far the largest deposit in Bangladesh. There are seven coal seams between the depths of 640 meter to 1158 meter and the real extent of the coal beds is about 38 sq. km. The average cumulative thickness of the coal is 64 meter and the coal reserve is estimated to be 1053 million metric tons.

Geological surveys and technical studies conducted by several international mining consultants have shown that coal mining from the Jamalganj deposit is technically feasible but the economic feasibility of the project have been disputed because of the considerable depth of the coal seams. Instead, the extraction of methane gas from the coal seams has been considered, suitable and economically feasible option.

Under the project, wells could be drilled from the surface into the coal seams to extract the entrapped methane gas, a technology shown successful in many deep coal basins of the world. According to experts, more than one trillion cubic feet of methane gas could be produced from Jamalganj coal deposit. This is equivalent to a medium size gas field reserve in Bangladesh standard.

Several other Gondwana basins have been delineated by geophysical methods in the North Bengal and the chances of finding good quality coal are as bright as the previous discoveries, according to geologists.

The interests shown by the internationally renowned mining company Broken Hill Proprietary (BHP) of Australia in investing millions of dollar for coal exploration in North Bengal testifies the above prospect. The company willing to undertake coal exploration and production venture in the north Bengal, has been in talking terms with the government for the last seven years. Detail proposal for the above has been forwarded to the government who has accepted the deal in principle, although has not yet made a deal.

The apparent long delay in finalizing a coal exploration deal with BHP is not understandable at a time when the government is trying very hard to attract foreign investors in petroleum exploration and is about to sign Production Sharing Contract (PSC) with a number of foreign oil companies.

(The author is a professor, Department of Geology, University of Dhaka.)