

## ECIP to aid installation of joint venture projects

European Community Investment Partners (ECIP), a financial instrument, is now here for financing and aiding installation of joint venture projects in all sectors, reports UNB.

Interested entrepreneurs of the country have been requested to submit their project proposals to Bangladesh Shilpa Bank by today so that those can be despatched to the ECIP Brussels office by March 31 for consideration.

The offer came at a discussion meeting on the scope for setting up joint venture projects under the ECIP scheme at the BSB here on Saturday. Ambassador M Drury, head of the delegation of the Commission of European

Communities in Bangladesh, elaborated the scheme, designed mainly for the developing countries.

The European Union (EU) supports the increasingly important role of the private sector in the field of economic development. Drury said, adding Bangladesh has immense prospects for exploiting a large 12-nation single market.

The most important characteristics of the EU are a single market without internal intricacies, free movement, common commercial/external trade policy and instruments, he told the meeting.

Explaining facilities offered by ECIP scheme, he said it would identify potential joint

venture projects and partners and the EC would co-finance the projects by way of grant of upto 50 per cent of the cost of the project subject to maximum of ECU 100,000. The remaining 50 per cent will be raised by the initiator or initiators of the projects.

It will help in feasibility study, market study, business plan and pilot projects. This facility is open to local or EC firms, acting either individually or jointly. The EC will co-finance the projects through an interest free advance to be converted later either into a grant, a loan, equity depending on the outcome of the projects.

The EC financing can be upto 20 per cent of the capital

of joint venture project subject to a maximum of ECU one million. It will also help in developing human resources through training, technical assistance and management assistance, he added.

Managing Director of BSB M Akmal Husain, General Manager of Loan Operation Division of BSB Idanur Rahman and Deputy General Manager of Loan Operation Division Obaid Ullah also spoke at the meeting.

BSB is the designated bank for the ECIP scheme in Bangladesh. The ECIP scheme was launched by the EC in 1988. It covers all activities such as industry, services, agriculture.

## Italian trade team due Tuesday

A four-member trade delegation from Italy will arrive here Tuesday on a week-long visit to explore prospects of investment in Bangladesh, reports UNB.

Official sources said on Saturday the delegation, comprising business magnets who have been looking after Bangladesh's interest in bilateral trade, would hold extensive talks with officials and traders and industrialists in private sector on expansion of economic cooperation between the two countries.

They (magnets) are Bangladesh's Consuls General Calabrese in Milan, Dr Giuseppe Breglia in Naples, Arnaldo Morea in Bari and Gaetano Longo in Trieste.

During their stay here, the Italian billionaires will talk to industrialists, particularly chamber leaders, garment and leather manufacturers and fish exporters, in the context of Dhaka's liberal investment policy.

They will also meet Foreign Secretary M R Osmany and officials of the Export Promotion Bureau.

The Italian entrepreneurs will visit the port city of Chittagong to see the Export Processing Zone (EPZ) and talk to chamber officials there.

Italy, a major buyer of Bangladeshi goods, imported commodities worth 122.93 million US dollars from Bangladesh against exports amounting to 24.9 million dollars in the last fiscal year, the balance of payment being in favour of Bangladesh.

## Gaffar appointed AB Bank adviser

A K M Gaffar has been appointed adviser of Arab-Bangladesh Bank Ltd, a press release of the bank said here yesterday, reports BSS.

Earlier, he was the President and Managing Director of the Bank from which he resigned in January last on personal ground, the press release also said.

The board of directors of the bank appointed Deputy Managing Director A Rahim Choudhury Acting President and Managing Director of the bank until further order.

## New District Sales Manager of Air India

Shahnaz Malik is Air-India's new District Sales Manager in Dhaka office, says a press release.

She is widely travelled with rich experience and training in tourism and travel trade. She visited Brazil in 1990 as a member of Rotary Group Study Exchange Programme.

## Iran agrees to defer arrear debt repayments

TEHRAN, Mar 20: Iran, its economy badly hit by low oil prices, said it had agreed with four Western countries to defer repayments on 5.6 billion US dollars in debt arrears, reports Reuter.

Iranian television said late on Friday that Iran signed agreements with Swiss and Austrian officials allowing it to repay a total of one billion US dollar credit will cover overdue debts and those due up to March 1995, a television news report said.

Iran has also signed similar agreements with Germany and a group of Japanese companies in the last month. Iran's official IRNA news agency said the Japanese credit was worth two billion dollars.

Taking into account the earlier contracts with Japan and Germany, a total of 5.6 billion US dollars in credits to Iran has been negotiated and agreed upon, the television report said.

Iranian newspapers have put Iran's short-term debt at rather than the total debt, which bankers estimate vari-

ously at between 20-billion US dollars and 30 billion US dollars.

Iran's economy depends heavily on oil sales to earn hard currency, but the benchmark world oil price has plummeted in the last year from over 20 US dollars to less than 14 US dollars for reasons including world recession and high output from North Sea oilfields.

As a result, Iran's budget for its financial year starting March 21, 1994 cut projected government revenues by 10 per cent from earlier forecasts.

Parliament approved the budget after a debate dominated by worries about low oil prices and Iran's growing foreign debt.

The Japanese credit is repayable over three and a half years starting in 1995 at an interest rate of five per cent, payable annually, according to IRNA. The Swiss and Austrian credits, the television said, are payable over four years with a two-year grace period.

## Oil producers to hear proposal for output cut next week

KUWAIT, Mar 20: OPEC oil producers trying to prop up sagging prices will hear a proposal for an output cut of around 700,000 barrel per day (BPD) at a key meeting next week, a Kuwait newspaper reported yesterday, reports Reuter.

The proposal to be aired at the March 25 meeting in Geneva of OPEC would be linked to a 300,000 BPD cut in non-OPEC production, the newspaper said.

"High-ranking oil sources have predicted that production by the Organisation of Petroleum Exporting Countries may be reduced at the meeting. It plans to hold in the 25th of the current month" Al-Wakeel said.

The sources told Al-Wakeel the reduction option that shall be submitted will be unanimous and it will be within a rate of 700,000 BPD of OPEC oil and 300,000 BPD of non-OPEC countries' production, it added.

The same sources went on to say there is a trend by some member countries to keep the current production ceiling for the two coming quarters. That is an option that is considered to be weak in the light of the sharp deterioration in the oil price.

## India's inflation rate crosses 9 pc

NEW DELHI, Mar 20: India's annual inflation rate has crossed nine per cent for the first time in 69 weeks and is inching toward double digits following sharp price increases, according to government data released today, reports AFP.

In the week ending March 5, the inflation rate calculated on the basis of wholesale prices was 9.05 per cent, up from 8.4 per cent in the last week of February.

A rise in the prices of cereals, condiments, spices, fish, edible oil, fuel, tobacco, newspapers, leather, chemicals, manufactured products and transport contributed to increase the prices offset a marginal fall in those of coffee, eggs, fruits and vegetables.

It was the first time in about 17 months that the annual rate of inflation had exceeded nine per cent, regarded as high because of the low incomes and purchasing power of most Indians.

But it still is a far cry from the throttling 17-per cent inflation rate that prevailed when the government of Prime Minister PV Narasimha Rao took office in June 1991.

The Rao government has cited price control as one of its major achievements, and vowed to ensure that the inflation rate does not soar.

## Clinton ready to pay back taxes if needed

WASHINGTON, Mar 20: President Clinton said Friday that any mistakes made on his and his wife's tax returns "certainly were not intentional" and he is ready to pay back taxes if necessary.

"I don't think we owe any extra taxes, but I'm not sure yet," Clinton said in an interview with the Associated Press and other news services. "If we do owe, we'll make it good."

His comments came amid increasing indications that the Clintons may have underpaid their income taxes over the past 15 years.

The records are being scrutinized as part of the special counsel's investigation into the Clintons' investments in the 1980s in the Whitewater Development Corp. in Arkansas.

In the past few days, Hillary Rodham Clinton and White House officials have hinted that the Clintons might have underpaid some of their taxes, and may have claimed White-water-related income tax deductions to which they were not entitled.

"What we're trying to do now is go back over this and get all the relevant information to the special counsel... and to make sure that, if we have made any mistakes, that we can identify those mistakes... and give that information to the special counsel too," Clinton said.

"Every year we had our taxes prepared by an account-

ant. I always wanted to be scrupulous about paying whatever taxes I owed... So if there were any mistakes, they certainly were not intentional," he said.

Clinton said he always told the accountants: "Resolve all doubt in favour of the government. I never wanted a tax problem. I was always paying lots of taxes."

He added: "That doesn't mean that no mistakes could have been made, because we didn't have access to the Whitewater records all these years. I'm not saying we didn't make mistakes. I'm just saying that, if any were made, it was purely accidental."

## Catalogue show of Canadian products begins in Ctg today

A three-day long catalogue show of Canadian products and services begins in Chittagong today (Monday), says a press release.

Jon J Scott, Canadian High Commissioner in Bangladesh will open the show at the conference room of the Chittagong Chamber of Commerce and Industry.

The Canadian High Commission in Dhaka and Chittagong Chambers of Commerce and Industry have jointly organised the show.

## NBL reduces lending rates further

National Bank Limited has reduced its lending rates once again, says a press release.

The new rates which have taken effect from March 16, '94 are as follows: 1 Agriculture (Loans to primary producers) — 11.00 pc, Loans to input dealers/distributors — 14.50 pc, 2) Large and medium scale industry (Term loan) — 14.50 pc, 3) Working capital (Jute) — 11.00 pc, Other than jute — 14.50 pc, 4) Jute trading — 14.50 pc, 5) Exports (Jute and jute goods) — 10.00 pc, Other exports — 10.50 pc, 6) Other commercial lending — 14.50 pc, 7) Urban housing — 14.50 pc, 8) Special programme (Small and cottage industry) — 13.00 pc, Other special programme — 14.00 pc and 9) Others — 14.50 pc.

## Japanese NGO distributes old clothes in Kurigram

The Kirara No Kai, a Japanese NGO working in Bangladesh, has distributed old garments among the poor people of Kurigram, says a press release.

The old garments included shirts, pants and warm clothes. These were given to the needy people of Gogadaha, Naodabash, Vogdanga, Satrapur, Shuverkuti, Naodonga, Omermajid and Kurigram Pourashava.

The 34 packets of clothing weighing 730 kgs were collected in Tokyo and brought to Bangladesh by Biman Bangladesh Airlines. The air freight and other expenses were borne by the Nihon Sempaku Shinko Kai of Japan.



Biman's Managing Director Abdul Mueyed Chowdhury inaugurating the computerised inventory control system at the Biman Engineering Hangar at ZIA Saturday evening. Executive Directors of Biman were also present.

## Steps taken to boost output, export of shrimp: Zahir

CHITTAGONG, Mar 20: Industries Minister AM Zahiruddin Khan Sunday said Bangladesh had immense possibilities in producing shrimps and that a number of pragmatic steps were being taken to boost its production and export to foreign countries, reports BSS.

Speaking as the chief guest at a seminar on "Export of frozen foods: prospects and marketing problems" here, the industries minister expressed the hope that the exporters of frozen goods would extend their much needed cooperation in accelerating the production and export of frozen

goods.

Organised by the Export Promotion Bureau the seminar was addressed, among others, by the Vice-Chairman, Export Promotion Bureau Anisul Huq Chowdhury, Director General of the Bureau Mohd Akmal Hossain and President, Frozen Foods Exporters' Association Syed Mahmudul Huq. President, Chittagong Chamber of Commerce and Industry, SM Abul Kalam was in the chair, a PID hand out said.

Referring to the problems the frozen foods exporters are facing, the minister sought their suggestions in solving them. He assured that their

suggestions would get proper attention.

While briefing the success achieved so far during the last 3 years in economic field, Khan said the policy of the government was to streamline the economy in a disciplined way through ensuring structural adjustment. He said that the government's endeavour to bring the people into confidence yielded better result in the field of economic activities.

He called upon the business community to cooperate with the government to keep the present economic and financial discipline unhindered.

# Commodity market has rarely seen a better week as prices of all items rise

LONDON, Mar 20: The market has rarely seen a better week as prices of nearly all commodities rose, with some registering significant gains, reports AFP.

On the London Metal Exchange, copper rose to its highest closing level since July 1993 on continued strong US demand and continued significant cuts in a stocks. The other base metals rose in its wake.

After important rises last week, precious metals continued to maintain their levels.

Elsewhere, coffee rose above 1,300 dollars per tonne — its best level since 1991 — on the possibility of a cut in supplies. The same conditions applied to cocoa, but the rise was measured by speculative buying.

Sugar fell in the beginning of the week after a tax on Russian imports, but rose later on expectations of large imports by India.

Grain and vegetable oils were also higher.

Rubber, which has risen for the past two months, continued to rise on continued demand from the tyre industry. Brent crude oil rose slightly on previous weeks, lifting on weaker US stocks but prices fell towards the end of the week as dealers remained pessimistic on chances of seeing OPEC countries agree to a cut in production.

**GOLD:** Firm. Gold succeeded in remaining above 386 dollars per ounce, after its sharp rise last week, but lost a little ground after middle eastern investors sold.

Uncertainty surrounding the upcoming elections in South Africa, which is the world's premier exporter, continued to boost prices. A

strike in Kioof mine, which produces five per cent of South African gold, also boosted prices.

In addition, Pretoria announced a seven per cent cut in its February production figure at 47.85 tonnes, a significant 7.7 per cent cut on that of February 1993.

**SILVER:** Higher. As is the rule, silver fluctuated more than gold, but three-month prices reached a record 5.76 dollars per ounce on Tuesday. After this high, prices dipped, but remained above 5.4 dollars an ounce.

**PLATINUM:** Lower but firm. After the heights achieved last week on troubles in Bophuthatwana, the key platinum producing region in South Africa, prices slipped but remained above 400 dollars an ounce. Their continued strength, like that of gold, reflected continuing worries over the political and social future of South Africa.

**COPPER:** Strongly higher. The price of copper on the London Metal Exchange continued to soar towards the end of the week, lifting to 1,983 dollars per tonne on Thursday during the day — a high since July 1993.

Copper closed at 1,968 dollars per tonne on Thursday, also a high since July 1993 up from last Friday's close of 1,913 dollars per tonne.

Copper futures rose on strong merchant buying in Europe, tight US supplies, low warehouse stocks and strong speculative demand among investors.

"Commodity funds like copper, in particular, because it's a deep and liquid market and can be traded in London," said one dealer.

Stocks of copper on the

LME have fallen nearly 80,000 tonnes since the beginning of the year when they stood at 617,000 tonnes.

US demand has lifted 10 per cent in 1993 against a rise of 5.7 per cent in 1992, also pushing the price up.

The research group Billinton-Enthoven said the US economy recovery had caused a shortage, adding that Latin-American production, which normally went to Europe or Asia had been diverted to the US.

Stocks on the LME fell a massive 16,850 tonnes to 520,125 tonnes.

**LEAD:** Higher. Lead, like many of the other base metals, rose on the back of copper, closing on Thursday at 483.5 dollars per tonne, from 467 dollars per tonne on Friday.

Industrial analysts forecast that India's lead consumption will rise to 65,000 tonnes in 1993-1994, compared with 53,000 tonnes in 1992-1993, as the predicted lead would be used as a shielding material in the nuclear power industry.

Stocks on the LME fell 400 tonnes to 332,100 tonnes.

**ZINC:** Higher. Zinc also rose on the back of copper, closing at 967 dollars per tonne on Thursday from last Friday's close of 951 dollars per tonne. Dealers said that although the fundamentals looked weak, illustrated by high stock levels, they felt that lows of the cycle had been seen and the price was set to rise over the next few months.

Stocks on the LME rose 11,950 tonnes to 1,083,450 tonnes.

**ALUMINIUM:** Higher. Aluminium rose in the wake of copper. The metal closed at 1,335.5 dollars per tonne, from last Friday's close of

1,300 dollars per tonne.

"I think other metals are rising on the strength of copper," said William Adams, analyst at Rudolf Wolff.

The Chairman of Germany's largest aluminium producer, Vaw, said German aluminium production is likely to fall around 10 per cent this year from 552,000 tonnes produced in 1993.

Jochen Schirmer said the price situation was "beginning to normalise", adding that price development will depend largely on whether the former USSR will stick to its production and export reductions.

The Russian government has released export quotas for this year showing a 53.2 per cent reduction in the exports of aluminium to 796,000 tonnes.

Dealers said this was a positive move, but probably so draconian that few believe it will be fully implemented. Stocks on the LAME rose 10,200 tonnes to 2,599,775 tonnes.

**NICKEL:** Higher. Nickel followed the other base metals higher, closing Thursday at 5,766 dollars per tonne, from 5,320 dollars per tonne on Friday.

Traders said elsewhere the market was calm and little affected by confirmation of an accident at Russian producer Norilsk Nickel's Norilsk plant. The incident had worried the market since last Thursday.

Platts metals price alert reported that only a couple of days of production would be lost, describing the effect as "a drop in the oceans."

An accident at the plant, which has an annual capacity of 100,000 tonnes per year of nickel matter demolished one

of two emissions stacks and was affecting production.

Stocks on the LME rose 1,860 tonnes to 133,846 tonnes.

**TIN:** Higher. Tin lifted higher on the back of copper's rise and the resulting rise in the other metals. Tin closed at 5,555 dollars per tonne on Thursday, up from 5,435 dollars per tonne last Friday.

Stocks on the LAME rose 715 tonnes to 23,380 tonnes.

**COCOA:** Higher. Prices reached their highest level of the year at 960 pounds per tonne for may futures largely due to speculative trading.

Trading volume remained moderate and industrial buying was not sufficient to orient the market, dealers said.

The US department of agriculture said world production for 1993/94 should stabilise at around 2.45 million tonnes, five per cent higher than previous estimates. The rise is largely due to a hike in Ivory Coast production from 750,000 to 820,000 tonnes.

**COFFEE:** Sharply higher. Prices rose above 1,300 dollars per tonne, their highest level since 1991. Prices lifted more than 50 dollars per tonne during the week as dealers were enthusiastic on a serious announcements bringing of good news.

The first was a downward revision in estimates of Brazilian production by one million bags to 23.5 million (60 kilograms each). Last season's production was 28.5 million bags.

The second was that Indonesia will cut its exports by 20 per cent from April 1, to conform to the export retention plan agreed by the Association of Coffee Producing Countries (ACPC). Indonesia

produces 23 per cent of world robusta.

**SUGAR:** Firm. The price of white sugar slipped at the beginning of the week after Russia imposed a 20 per cent tax on imports. Moscow intends to stimulate imports of raw sugar to boost its refiners.

Prices then rose towards the end of the week after India announced it was going to import white sugar in August to satisfy internal demand. The International Sugar Organisation (ISO) said India was likely to import 255,000 tonnes from now until September.

The last figures from the ISO, published on Thursday, showed a rise in the estimated annual world deficit between production versus consumption to 2.4 million tonnes from 1.4 million last year's deficit was 1.37 million tonnes.

**VEGETABLE OILS:** Higher. The price of soya oil rose slightly on the Rotterdam market, although volume remained feeble. After a rise on Wednesday, the trend remained uncertain, dealers said.

The Brazilian government predicted its 1993-94, harvest should reach a record 24.55 million tonnes.

The price of palm oil rose, while rape seed oil was stable, sunflower oil was sharply higher, gaining on predict.

**CRUDE OIL:** Higher. The price of Brent North Sea crude oil was slightly higher than the previous week, and managed to rise above 14 dollars a barrel during the week.

Dealers found the drop in US stocks encouraging and expected the world's premier importer to be forced to import larger quantities of crude oil.

The American Petroleum Institute (API) said crude oil reserves had dropped 14 million barrels compared to March 1993 and domestic fuel and gas oil was cut by 908,000 barrels.

Analysts remained pessimistic on the possible results of the meeting of OPEC countries on March 25 in Geneva. Reflecting this pessimism, prices fell towards the end of the week, as the meeting approached.

**RUBBER:** Higher. Prices rose above 685 pounds per tonne, as demand for rubber to manufacture tyres remained strong in Singapore, which is the world's number one market, and on the London Market.

At the same time, supply dropped after South-east Asian countries cut production.

Thailand and Malaysia, the first and third world producers, will cut production by 2.1 and eight per cent in 1993 on the previous year, according to estimates by Landell Mills.

**GRAINS:** Higher. The price of wheat continued to catch up on that of barley. On Thursday, wheat was trading at 104.0 pounds a tonne, only 35 pence less than barley.

The weakness of the pound compared to the franc and the mark continued to make the London market particularly attractive to investors. Traders noted that the wider market had been somewhat flooded, which contributed to a rise in the London prices.

In addition, the recent statement by Russian President Boris Yeltsin that his country would not import any grain this year was tempered at the beginning of the week by a contradictory statement from a Russian importer.

The importer, a director of

a large company, indicated that if the Central Russian State refused to import foreign wheat till after July, the regions would continue to import whatever they needed.

**TEA:** Stable. Demand remained generally good, tea from Rwanda scored the highest price at 228 pence a kilo, while the average bid price was unchanged at 126.3 pence a kilo.

The average price of quality tea was stable at 190 pence a kilo, while the price of medium quality tea was slightly down at 118 pence from 123 pence the previous week, and low quality tea remained at 90 pence.

**COTTON:** Slight decline. The key Liverpool price indicator dipped to less than 0.81 dollars per pound, against 0.82 dollars the previous week, as demand was generally weaker in Europe, with the exception of Portugal.

Dealers said the cut in cotton production in China poses a serious risk to the textile exports from the country.

Recent estimates showed the production from Henan, Shandong and Hebei provinces, which account for over half of the national production, dropped around a million tonnes in 1993 compared to 1992, because of pests.

**WOOL:** Higher. The key price indicator of Australian wool at Bradford reached its highest level for the year at 3.89 pounds per kilo, thanks to continued good demand and higher auction prices in Australia and New Zealand.