

Mostafiz tells Keidanren delegation

Forge new era of economic ties between Dhaka, Tokyo

The Foreign Minister yesterday wooed a group of top Japanese industrialists and traders for investing in Bangladesh to forge a new era of economic cooperation between Dhaka and Tokyo, reports UNB.

"Investment and transfer of technology are among the high priority areas of our widening cooperation with Japan," Foreign Minister A S M Mostafizur Rahman told the visiting high-powered Japanese economic delegation.

"Bangladesh wants you to be her partner in the creation of new hope, new wealth and new opportunities in international relations," Mostafiz made an impassioned plea when the Japanese delegation met him at the state guest house Padma Sunday morning.

The 40-member Keidanren

delegation — an economic study mission from Japan which arrived in city on Saturday — exchanged views on various aspects of expansion of economic cooperation, particularly in the fields of investment, trade and transfer of technology.

The Foreign Minister assured the member of the mission that their investments in Bangladesh would be protected by laws. In this context, Mostafiz mentioned that Dhaka is also a signatory to the arrangements of the Multilateral Investment Guarantee Agency.

Mostafiz expressed the hope that the visit of the Japanese delegation would be mutually beneficial and they would lead the way for large scale foreign investment in Bangladesh.

The Foreign Minister also

seized the opportunity to urge the Japanese to take effective measures to reduce the trade imbalance against Bangladesh in her trade with Japan.

He suggested that a greater access to Japanese market for Bangladesh tea, readymade garments, silk, leather and specialised textile products could be encouraged to narrow the trade gap.

Briefing the Japanese delegation on the foreign policy of the country, Mostafiz said, "Bangladesh is deeply committed to the cause of global peace and security."

He pointed out that Bangladesh has been following a policy of constructive engagement and maintaining good relations with all the countries of South Asia.

"Bangladesh, as the current chairperson of the SAARC, is

engaged in building new bridges with her neighbours," Mostafiz told the Japanese delegation.

The FM recalled Prime Minister Begum Khaleda Zia's recent visit to Japan which, he said, "has rekindled the interest of Japanese investors in Bangladesh."

Kazuo Haruna, leader of the visiting delegation, appreciated the elements of the Foreign Minister's statement and assured that he would do his best to contribute towards further strengthening of the ties between the two countries.

Foreign Secretary Osmay, Executive Chairman of the Board of Investment M Moka-mel Haq, Additional Foreign Secretary Mohiuddin Ahmed and Japanese Ambassador to Bangladesh S Takenaka were present at the meeting.

13 private banks in Myanmar to begin exchange operations soon

YANGON, June 12: Thirteen private banks in Myanmar have been licensed to begin currency exchange operations under new banking laws aimed at promoting private sector growth, the official New Light of Myanmar newspaper said Friday, reports AFP.

Finance Minister Brigadier General Win Tin was quoted as saying at the inauguration of the Myanmar Mayflower Bank on Thursday, that private sector growth was creating greater need to extend banking services formerly offered only by state-run banks.

Of the private banks granted foreign exchange licences, four have been dealing in currency exchanges since April 1 and the others — including Myanmar Mayflower — are expected to begin exchange operations soon, Win Tin said.

Five-member trade team off to Canada

A five-member delegation, led by Joint Secretary of the Commerce Ministry Shohab Ahmed, left for Canada on Saturday night for bilateral trade negotiations between the two countries, reports UNB.

The delegation will hold talks with the government officials of Canada on readymade garments, textile quota extension of the textile agreement between the two countries and the various issues emerging out of the recent GATT agreement.

They will also visit Montreal and Toronto and hold discussions with private sector organisations, importing houses for promoting export of readymade garments from Bangladesh to Canada.

The other members are B M Moxharul Haq, Director General of EPB, Redwan Ahmed, President of BGMEA, M A Taher, Senior Vice-President, BGMEA and Mahboob Ali, member of Executive Committee, BGMEA.



New executives of Janata Insurance

M A Qudus and Aziz Al-Kaiser were unanimously re-elected Chairman and Vice-Chairman of the Janata Insurance Co Ltd respectively.

The election was held at a meeting of the Board of Directors of the company recently, says a press release.

Qudus and Kaiser are both reputed industrialists of the country.

Alternative food sources can feed world's hungry

WASHINGTON, June 12: Alternative agricultural crops have the potential to feed a hungry world, but more research needs to be done to make them commercially viable, according to agricultural experts and US government officials who testified at a congressional hearing, says a USIS press release.

Daniel Kugler, a deputy administrator in the US Department of Agriculture (USDA), told a House subcommittee on agriculture June 9 that new crop research has intensified over the last decade in the United States because of interest in alternative agricultural programmes.

Kugler said these programs include the Sustainable Agriculture Research and Education Program, the Alternative Agricultural Research and Commercialization Center, the ARS National Center for Agricultural Utilization Research, and the CSRS Office of Agricultural Materials.

He said a number of state agricultural experiment stations have active programs or centers notably in Indiana, Minnesota, Missouri, Oregon, North Dakota and Idaho.

Kugler said the Rodale Institute, a private foundation, is involved with alternative agricultural research particularly on amaranth, an ancient grain.

He said at least two new national organizations are associated with alternative crops — the Association for the Advancement of Industrial Crops (AAIC) and the New Uses Council (NUC). NUC is sponsoring an agricultural summit on June 22 and the

AAIC is sponsoring a conference in Argentina September 25 to 29.

He said USDA and the departments of Energy and Defense are co-sponsoring "Bio-based Products Expo 1994" in Kansas City, December 5 to December 7.

However, Kugler was quick to add that despite existing efforts "there has been no concerted national policy" to accelerate "the introduction, development and commercialization" of alternative crops in the United States.

He said the current state of research and development on alternative crops is "scattered and fragmentary." He said support for agricultural experiment stations in nearly all states has declined due to reduced budgets and that private industry is not taking much interest because it considers new crop research "speculative."

Terrence Brown, an assistant to the administrator of the US Agency for International Development (USAID), said USAID has been supporting the growing of non-traditional agricultural crops for exports through several programs in developing countries.

Brown said small farmers in Guatemala have been successfully exporting snow peas and earning profits 10 to 20 times larger than they earned from the sale of their maize crops.

He said in Uganda USAID has helped 500 farmers diversify their agricultural exports from coffee to ginger, chilies, bananas, pineapples, passion fruit, vanilla, and okra.

Brown said studies by the International Food Policy

Research Institute have demonstrated that farmers who export non-traditional crops have increased household incomes. Higher income result in better nutrition, better health care and education, and higher living standards, he said.

Noel Vietmeyer of the National Research Council said out of at least 20,000 plants that have edible parts, humans farm only about 150. Out of 10,000 grass species only eight are significant food crops — wheat, rice, maize, sorghum, pearl millet, barley, rye and oats. Out of 3,000 fruits of the tropical zones only four — mango, papaya, banana and pineapple — are produced for global consumption.

Vietmeyer said the poorest continent, Africa, has at least 200 out of 2,000 edible plants that could add to the food production. He said the production of many indigenous grains have been neglected in favor of introduced food crops such as rice, maize peanuts and cassava.

He said teff is a grain indigenous to Ethiopia, finger millet to Uganda, pearl millet in the drier areas near the Sahara, and fonio in West Africa. He said Africa also has its own native strain of swamp rice.

Vietmeyer said teff and finger millet are rich in iron and calcium and, therefore, beneficial for the nutrition of women who often suffer from inadequate diets.

He said an Amazonian fruit called borojoa is full of beneficial protein while another called araza has 10 times more vitamin C than oranges.

Japanese tycoon visits DSE

A member of the Japanese business delegation, now in the city, visited Dhaka Stock Exchange yesterday to know the function of the money market, reports UNB.

Muto Eisuke called on DSE Chairman Khurshid Alam who briefed him about development and problems of the stock exchange.

They also exchanged views on the listed companies, trading procedure, clearing house, call-over and automation systems as well as the foreign investment in securities market in Bangladesh.

DSE General Secretary Abdul Huq Hawladar, councillors Khwaja Abdul Qudus, Shahiq Khan and M A Quayum were present at the meeting in the board room.

Later, Eisuke, chief strategist of the Asia and Oceania Division of the Nikko Research Centre, visited the DSE trading floor and witnessed the trading activities.

He is one of the 40 members of the Japanese investment delegation, dubbed Keidanren mission, which arrived here Saturday to explore prospects of investment in Bangladesh.

Call money rate ranges from 1.5 to 8 pc

Money rate in the call money market during the week ended on Wednesday ranged from 1.50 per cent to 8.00 per cent, reports UNB.

During the same week interest rates offered by the Bank on Certificate of Deposits varied from 3.50 per cent to 8.75 per cent.



Leader of the visiting Japanese investment study team Kazuo Haruna (extreme left) addressing a meeting of the Bangladesh Exporters Association at the BGMEA headquarters in the city yesterday. Association president Redwan Ahmed MP (C) is also seen in the picture. — Star photo

Spiralling food prices threaten China

BEIJING, June 12: China warned on Sunday that spiralling food prices threatened the economy and revealed that some areas had reversed reforms and gone back to issuing ration coupons, reports Reuters.

"Side-effects of the pricing reform and the rocketing cost of production materials have combined to form the Achilles heel of the economy, the official China Daily Business Weekly said.

The State Statistical Bureau, worried that out of control prices for food threatened the entire anti-inflation effort, has demanded government action, the newspaper said.

Inflation in China's major

cities was a year-on-year 23.2 per cent in April.

While government officials took heart at falling prices for machinery and electrical appliances food costs showed no sign of slowing.

Grain prices in April shot up 3.8 per cent from March and by 35.1 per cent from a year earlier.

The price of edible oil jumped 55.8 per cent in April from a year earlier because of a severe shortage.

Meat prices are on average one-third higher than they were last year, and last year's disastrous cotton crop has sent clothing prices sharply higher.

Some local governments worried that edible oil prices

may run beyond what residents can afford, are subsidising grains ships and restricting consumer purchases by once again issuing coupons, the newspaper said.

China's economy has led the world in growth for two consecutive years.

But the rapid expansion of the economy last year's gross domestic product climbed by 13.4 per cent has led to overheating and inflation.

China's Communist Party rulers who are counting on capitalist-style market reforms to keep them in power, fear inflation will threaten social stability.

World commodity markets: Prices of rubber, sugar, copper rise sharply

LONDON, June 12: Chinese buying of Indonesian rubber sparked life into the rubber market this week, pushing prices to their highest level since September 1988, just as dealers were settling in for a quiet week, reports AFP.

Without any such drama, copper also soared higher, reaching its highest level since September 1992 on strong US demand, lower stocks and speculative interest, the other base metals followed copper higher.

Coffee was also up, but remained below the record prices registered at the end of May. Sugar also gained several dollars, boosted by Indian demand.

In contrast, the price of Brent crude North Sea oil was mainly weaker, while the precious metals advanced weakly.

GOLD: Slightly lower than higher. The price of gold began the week at around 380 dollars an ounce but then rose to above 383 dollars following the New York market higher-all week, the precious metals market remained calm.

The start of a strike at the South African gold field's West Driefontein mine, which produces 7.5 tonnes of gold per quarter, contributed to firmer prices at the end of the week.

SILVER: Slightly higher like gold. Silver prices fluctuated little ending the week slightly up at 5.40 dollars per ounce in a market lacking news.

PLATINUM: Weaker than higher. Prices remained at 395 dollar per ounce, before rising to 398 dollars per ounce at the end of the week.

A break in production till

Wednesday at the eastern platinum in South Africa, had no impact on the market. London dealers said employees had decided to increase production on their return to work to make up for the seven-day stoppage.

COPPER: Soaring higher. Copper soared during the week to around 2,425 dollars per tonne on Friday, a high since September 1992.

Traders said copper's latest burst upwards continued to be underpinned by tightness in the physical market, reflected in the steady downturn in LME warehouse inventories and on strong US demand.

"The overall feeling is very good for copper — it may have been driven by speculative buying, but there has been a lot of good industry buying as well," commented one dealer.

"The market may be galloping ahead of events by three or four months, but events keep confirming and justifying copper's rise over the last few months," he added.

Weekly stocks on the LME fell 11,550 tonnes to 371,200 tonnes.

LEAD: Higher. Lead rose on the Bak of copper, lifting 15 dollars over the week to end around 538 dollars per tonne.

Dealers said market sentiment remained positive for lead, predicting that the break above 535 dollars per tonne could herald a test of the next upside target of 560 dollars per tonne.

ZINC: Lower than higher. Zinc ended lower during the first half of the week, but then rose in line with copper.

The Zinc refinery, Presus

sag AG unit metal Europe said it was likely to start refining again in March or April 1995 at its Noyelles-godot plant in France after an explosion in January led it to close all its 10 zinc refineries.

The refinery, which produces 110,000 tonnes per annum, is still managing to fulfil its commitments to buyers. Arrangements have been made with Belgium's Union Miniere and Germany's Harz Zink to cover about 75 per cent of production.

Weekly stocks on the LME rose 13,875 tonnes to a record 1,193,050.

ALUMINIUM: Higher. Aluminium rose about 30 dollars during the week to end around 1,386 dollars per tonne.

At the beginning of the week, the metal reacted to Friday's stocks figures, which showed the first weekly fall for seven weeks, but later rose on the back of copper.

The stocks downturn provided the first evidence that a pact to cut output in the world's major producing region was beginning to have effect on the metal's massive stockpiles.

A report by the European Aluminium Association also revealed that primary aluminium production on western Europe fell 1.4 per cent in January and 2.9 per cent in February, but dealers said the figures did not fully take into account the production cuts already announced.

NICKEL: Higher. Nickel soared almost 300 dollars to end the week it around 6,495 dollars per tonne.

The settlement of a two-

month strike at Allegheny Ludlum, the largest stainless steel producer in the US, boosted the near-term consumption outlook, dealers said.

"Nickel still looks good," said Fred Demler, a trader at E D and F Man. "Russian shipments have fallen. Consumption is firm around the world. Scrap is tight. And it's gaining strength from the other LME metals."

TIN: Higher. Tin rose around 70 dollars during the week.

An official at Indonesia's state-controlled PT Tambang Timah said speculative interests are dominating the International Tin Market, making it difficult to predict price direction.

He said that global supply overall was in a glut, as production from emerging producers Portugal, Peru and Vietnam increases, and that the market was not bullish.

COCOA: Lower than higher. Prices began the week slightly below 1,000 pounds per tonne before rising higher on the back of sharp rises in coffee.

Dealers said that in the absence of new information, cocoa's rises were due to a general rise in commodities in the wake of higher coffee and copper.

The market was totally indifferent to on-going discussions on a new international accord on Cocoa and the implementation of a committee of producers who could oversee cuts in world production if needed in the future.

The consumer countries, who are taking part in the dis-

cussions, were unhappy that only the producer countries could decide economic measures.

COFFEE: Higher. After beginning the week relatively calm, the price of coffee soared a new on Wednesday and Thursday, after a new speculative raid on the coffee market in London and New York.

SUGAR: Sharply higher. The price of white sugar rose sharply to 334 dollars per tonne on Tuesday — its highest level since last March, on large-scale buying by India.

US dealers said India had recently bought nine shipments of refined sugar.

India's decision to import sugar, now rather than earlier in the year, at prices considerably higher than at the beginning of the season, has provoked political outrage and an internal government enquiry.

India decided to import sugar after a shortage in its domestic production.

Elsewhere, the trading house ED and F Man reduced its estimates for world consumption in 1993-1994 (October to September) to 111.4 million tonnes after a cut in demand from central and eastern Europe, and reduced Indian consumption after higher prices.

It said world production should reach around 109.1 million tonnes from 111.4 million tonnes the previous year, leaving a deficit of 2.3 million tonnes.

VEGETABLE OILS: Slightly lower. The price of the majority of oils weakened this week after speculators withdrew.

The price of soya oil was lower on the Rotterdam market, although dealers noted that industrial trading was stronger compared to previous weeks, where speculative trading was particularly strong.

Palm oil declined on lower demand, after elevated prices in recent weeks. Palm oil, which is generally good value, is mostly bought by developing countries.

According to the review oil world, the stocks of the six main vegetable oils reached their lowest level for nine years in the 18 countries which are the main producers and consumers, reflecting increased world demand.

OIL: Slightly lower. The price of Brent crude North Sea oil dropped slightly to below the 16 dollars per barrel level, before lifting later.

GNI Trade House said the current weakness was due to the possible Iraqi recognition of Kuwait as a sovereign state, which would speed up the removal of economic sanctions against Iraq and the return of Iraqi oil to the international market.

Another negative element for prices was the emptying of the pipeline between Iraq and Turkey. If the United Nations gives the go ahead, the 24 million barrels which are currently blocked in the pipeline, threatened by corrosion, would be recovered and sold by Turkey.

Such a quantity is the equivalent to a day's production from all the OPEC countries out together. This would weaken the market, which is already affected by overproduc-

tion. The attack on oil installations in Northern Yemen, by the Southern Yemen army had no impact on the market which appears to have already accepted the idea of stoppages in Yemen.

RUBBER: Sharply higher. The price of rubber soared to around 76 pounds per tonne, its highest level since September 1988.

The reason for this spectacular rise was mainly due to a rise in Indonesian rubber — which is seen as a reference price — after large scale buying from Chinese industry.

Since then, the Chinese decided to buy from Indonesia, which is the world's second largest producer, and hence pushed the market higher.

Elsewhere, the world consumption of natural rubber should rise by 4.1 per cent in 1995 to reach 5.85 million tonnes from 5.42 estimated for 1994 a study for the international rubber study group said.

US consumption should rise by two per cent to 1.01 million tonnes next year, while China's should rise by five per cent in 1995 to reach 657,000 tonnes.

GRAINS: Regular. The price of wheat remained at around 110 pounds per tonne during the week in limited trading.

Dealers continued to question whether Russia would buy grain on the international markets. Certain dealers believe that despite statements from Moscow that the country will no longer import grain in the short and medium term, Russia continues to buy small quantities here and there.

On the US market, grains

continued to fluctuate on meteorological conditions. An increase in estimates for the US winter harvest from the US Department of Agriculture (USDA) pushed up prices towards the end of the week.

TEA: Firm. The average auction price of tea remained above 120 pence per kilo, while top quality tea continued to show high prices.

High quality teas from East Africa, and lesser quality teas from Central Africa were traded at strong prices. Teas from Sri Lanka were in demand, but traded at relatively weak prices.

Elsewhere, exports of Indian tea were predicted to be lower than expected after weak world demand and increased internal demand.

COTTON: Slightly lower. Prices dropped slightly on the Liverpool market, but remained above 0.8 dollars per tonne, a high level compared to previous years.

Estimates from Pakistan forecast the weakness of the harvest, predicting eight million bales (at 217.7 kilograms each) four million bales below initial estimates. A virus was blamed for the drop in production.

WOOL: Stable. The price of wool on the Bradford market remained firm at 4.26 pounds per kilo while prices continued to climb on the Australian market — the main world market — on weak supply.

In 1993, China became the world's premier importer of wool, ahead of Japan, a study by the international wool secretariat showed.