

**UN budget deficit
tops 3b dollars**

UNITED NATIONS, July 9: The UN budget deficit has topped three billion dollars, with US arrears to the world body totalling nearly half that amount, according to UN data released on Friday, reports AFP.

As of June 30, UN member states owed the organisation 3.05 billion dollars—950 million dollars in regular operating funds and 2.1 billion dollars for UN peacekeeping operations worldwide, the UN press office said.

The United States leads the pack of debtors to the world body. It owes 1.3 billion dollars, including 530 million dollars in regular operating funds and 750 million dollars for peacekeeping efforts.

Russia is the runner-up, with 572 million dollars owed, followed by Japan, owing 221 million dollars and Ukraine, 160 million dollars.

**BSC meeting
held**

The 149th meeting of the Board of Directors of Bangladesh Shipping Corporation was held at the BSC head office in Chittagong yesterday, says a press release.

The Minister for Shipping M K Anwar who is also the Chairman of the corporation presided over the meeting.

Among others present at the meeting were: Waliul Islam, Secretary, Shipping, and S A M Iqbal, Managing Director, BSC.

**New Chinese bank
to finance
satellite launch**

BEIJING, July 9: The new Export and Import Bank of China has extended its first export credit to finance the launch of a commercial satellite, an official newspaper said Saturday, reports AP.

China Great Wall Industry Corp. will use the 300 million (34.5 million dollars) loan signed Friday to launch one of three satellites planned for the coming year, the China Daily said.

The company did not say which satellite would get the loan, it said. China has aggressively entered the international launching business in recent years to earn precious hard currency.

China's State Council, or Cabinet, approved setting up the new bank in April to boost exports by promoting technology-intensive products. The bank began operating on July 1 and will focus on aerospace, shipbuilding, petrochemicals, energy and other areas, the newspaper said.

Currently, China mostly exports labour-intensive products, and experts warn that export momentum will falter unless emphasis is put on high tech products, the newspaper said.

China reported a 12.2 billion US dollars trade deficit last year, its first for four years.

Separately, the China Pacific Insurance Co. will insure the launch of the Apstar-1 communications satellite for a total 273.5 million dollars, the China Daily said. It is the biggest satellite project ever insured by a Chinese firm, the newspaper quoted the company General Manager, Lin Zhongjie, as saying.

It said China will launch the satellite from the Xichang launch site in southwest China between July 21-23 aboard a Long March-3 rocket.

**US, Japanese firms
may modernise
Uzbek oil refinery**

TOKYO, July 9: Japanese trading house Nissho Iwai Corp. and MW Kellogg Co. of the United States are negotiating a 200 million dollar project to modernise an Uzbekistan oil refinery, a spokesman said yesterday, reports AP.

The Nissho Iwai spokesman said the talks were "at the final stage" with a contract expected to be signed by the Japanese trader, the US engineering company and Uzbek Neftgaz as early as in August.

The project is aimed at boosting the annual capacity of the country's Kokumalak oil field to 4.5 million tonnes from the current two million tonnes by the end of next year, he said.

It will be the first project launched under an economic cooperation agreement between Nissho Iwai and the Uzbekistan government.

The Export-Import Bank of Japan is considering financing the project jointly with the Export-Import Bank of the United States, a Bank spokesman said.

**Seminar on investment in Bangladesh held in London
Appeal to British entrepreneurs to
reap benefits of economic reforms**

LONDON, July 9: A three-day long seminar on investment opportunities in Bangladesh concluded here on Thursday with Bangladeshi officials from agencies concerned and a leader of a private sector group, making a direct appeal to the British and overseas Bangladeshi entrepreneurs to reap the benefits of economic reforms in Bangladesh, reports BSS.

Euromoney, a leading British journal, specialising in investment, arranged a two-day conference of the "Sub-continent Investment Forum" with participants from Bangladesh, Pakistan, India and Sri Lanka on July 6-7.

Bangladesh High Commission in London arranged a one-day workshop at the mission on July 7.

Earlier, the Department of Trade and Industry (DTI) of the British Board of Trade and Industry arranged a day-long seminar in Manchester on July 5.

Leading investors and bankers, representatives from business and industry, British Bangladesh Chamber of Commerce and Bangladesh Caterers Association and others along with Bangladeshi officials from the Board of Investment, Privatisation Board, Ministry of Energy and a leading Bangladeshi businessman, Deputy Chairman of Beximco, attended the forum and seminars.

The Euromoney sponsored forum was attended by leading businessmen and officials from Pakistan, India and Sri Lanka. M Mokammel Haque, Executive Chairman of the Board

of Investment, highlighted the audience with investment opportunities in Bangladesh.

Giving an account of the state of economy and the investment opportunities in Bangladesh, Mokammel Haque said the reforms initiated by the present government had changed the scenario. It now provides a window of opportunities as the country pursues and export-led growth, he added. A potential market of 115 million people offers a unique opportunity to the global investors not only to base their productions but also to use it for exports worldwide with cheap and a disciplined and trained labour force, he added.

Kamaluddin Chowdhury, Chairman of the Privatisation Board, explained the new

policies to accelerate privatisation by cutting the red tapes.

Sir Terence Streeton, former British High Commissioner to Bangladesh and now the Honorary President of the Bangladesh British Chamber of Commerce, London, narrated his experience and observations about Bangladesh's new journey to open its economy before the world. Opportunities are there for the foreign investors to use them as a base for production, he added.

Salman F Rahman, Deputy Chairman of Beximco, pointed out that his company was going to invest over 100 million dollars in the next 12 months to further boost its massive investments in different sectors as a result of the liberalisation.



Mustafa Aminur Rashid, Managing Director, Agrani Bank, seen inaugurating a two-day workshop on "Bank Performance Statement" in the city on Thursday.

**Workers clash with
police in Turkey**

ISTANBUL, Turkey, July 9: Workers laid off by Istanbul's new fundamentalist City Hall clashed with police Friday, leaving 29 people injured, reports AP.

A fight broke out when a group of workers fired for alleged incompetence stoned several city buses as other workers arrived for work at a bus depot, police said.

Police moved to disperse the crowd, and were attacked with clubs and rocks. Seventeen people were taken into custody.

The laid-off workers have been protesting for weeks.

It was the first show of violence since Muslim fundamentalists came to power in local elections in Istanbul.

**US firms eye India's
power projects**

NEW DELHI, July 9: The United States hopes to help India boost electricity generation, especially using solar energy, a member of President Clinton's administration said Friday, reports AP.

Twenty-five American firms are among the 35 multinational companies bidding for joint ventures with Indian government and private power units, according to Indian government officials.

Hundreds of thousands of people in this nation of 900 million do not have power connections in their homes. Those who have them often face power outages.

Each summer, when demand for electricity to operate airconditioners and fans outstrips the meagre supply, state-run utilities company ration power to each neighbourhood.

Newspapers often publish schedules for "load shedding,"

the 2 to 3-hour power cuts that people must put up with every day.

On Friday, Energy Secretary Hazel O'Leary flew into New Delhi, with a 42-member delegation of business and environmental leaders, for a week-long visit, the first by a member of Clinton's cabinet.

Her visit is a follow-up of talks Prime Minister P V Narasimha Rao held with President Clinton in May.

The delegation hopes to help Indian firms conserve power, generate more electricity and tap solar energy. Ms O'Leary told reporters at the New Delhi airport.

Before leaving Washington, Ms O'Leary said in a United States Information Service Worldnet television interview that she saw her visit as part of Clinton's promise to "turn over a new leaf in US-Indian relations."

**N Korea's two-way trade
amounts to \$2.476b for '93**

SEOUL, July 9: North Korea's two-way trade amounted to a paltry 2.476 billion dollars last year, down one per cent from 1992, South Korea's state-run Korea Trade Promotion Corp. (KOTRA) said yesterday, reports AP.

The institute put the value of North Korea's exports at 938 million dollars, up 0.6 per cent from the previous year, while imports dipped 2.1 per cent to 1.538 billion dollars.

The volume of the isolated Stalinist country's exports has been falling rapidly since the collapse of its former Communist allies in 1991.

But exports made a slight turnaround last year as firms shifted business lines from domestic to export markets to earn more foreign exchange, while actively engaging in pro-

cessing-on-commission trade, the KOTRA said.

The major cause of the import decline was North Korea's lack of hard currency, it said.

China remained North Korea's top trade partner, accounting for some 36 per cent of the North's two-way trade volume.

North Korea's main export items included steel, iron and non-ferrous metals, while its major import bills were related to crude oil and petroleum products.

Meanwhile, South Korea, with a two-way trade volume of between 186 million dollars and 200 million dollars, was North Korea's fourth largest trading partner, following China, Japan and the Commonwealth of Independent States (CIS).

**Singapore's economy may
grow 7 pc by September**

SINGAPORE, July 9: The Singapore economy is expected to grow at a healthy seven per cent in the six months to September, one of Singapore's leading local banks said Friday, reports AP.

The projections were supported by expectations of strong external demand and an improvement in domestic demand, United Overseas Bank (UOB) said in its latest economic and financial quarterly report.

External demand would remain the main source of growth, with significant stimulus from the United States and the Association of Southeast Asian Nations, which groups Singapore with Brunei, Indonesia, Malaysia, the Philippines and Thailand.

Domestic demand was expected to improve although contributions from the construction industry and capital investment was expected to outweigh domestic consumption, UOB said.

The bank said growth in the manufacturing sector was likely to remain robust with significant contributions from the electronics industry, while the financial and business services sector would continue to perform well.

Singapore's gross domestic product (GDP) expanded by a robust 11 per cent in the first three months this year, following growth rates of 7.5 per cent and 10.7 per cent in the third and fourth quarters of last year.

The Trade and Industry Ministry has forecast that the GDP would grow at the higher end of a six-to-eight per cent range.

The monetary authority of Singapore last week estimated the republic's growth potential between this year and 1998 at an annual six-to-seven per cent but Finance Minister Richard Hu said the long term growth target of four-to-six per cent had not been adjusted.

**Murayama calls for jt action to
stabilise exchange rates**

NAPLES, Italy, July 9: Japanese Prime Minister Tomichi Murayama called here Friday for joint action by Japan, the United States and other countries to stabilise exchange rates, reports AP.

Speaking after a meeting with US President Bill Clinton, he called on Washington and Tokyo to coordinate economic policies in order to stabilise exchange rates. But Clinton said the dollar should be priced appropriately.

Murayama also said that he did not expect to see an immediate return to stability in the dollar-yen exchange rate.

"I don't think there will be (currency) stability immediately. Countries around the world, especially Japan and the United States, should follow policies conducive to more stable exchange rates in cooperation with each other."

Murayama told a news conference after a meeting lasting 90 minutes with Clinton.

Clinton, however, steered well away from recommending any concerted action to stop the fall of the dollar against the yen and other currencies.

"I think it is important not to over-react to the fall of the dollar," he said.

Murayama said that there should be no excessive reaction to fluctuations on money markets.

The US president maintained that the pursuit of continued non-inflationary global economic growth and job creation was the best recipe for correcting currency imbalances.

He stressed that the fall of the dollar against the yen was due to international capital movements rather than economic fundamentals, and that

the United States did not seek a weaker dollar to boost exports.

But Murayama reported a "common understanding" that "those responsible" for setting economic policies would consult and take action to work towards currency stability.

Clinton said the United States, Japan and Europe had acted over the past year to promote growth—Washington through cutting its trade deficit, Tokyo by stimulating domestic demand, and Europe through lower interest rates.

He added that Japan had not yet done enough to open its market to US exports, but that "there have been encouraging developments."

Clinton conceded that political instability in Japan had unsettled trade talks with the United States, and said he wanted a resumption of trade

negotiations following the inauguration of Murayama's government last week.

"I wouldn't say the signs are all bleak," he added.

They were speaking hours before the opening of a summit of seven leading industrialised countries (G-7) here at which the recent fall in the value of the dollar was expected to be discussed.

Meanwhile, Italian Treasury Minister Lamberto Dini said that concerted action by central banks had not been planned during the summit to support the dollar.

Italian authorities were not worried by the weakness of the dollar, he said.

The authorities of the seven leading industrialised countries were well aware of uncertainty and agitation on markets.

What happened to Joypurhat Limestone Mining Project?

By Dr Badrul Imam

Bangladesh is in the process of implementing two large-scale mining projects in North Bengal. They are: the coal mining at Barapukuria and the hardrock mining at Maddyapara. These two mining projects are being considered as the veins through which the people of North Bengal would be rejoicing with a kind of activity not known to Bangladesh before, i.e. deep underground mining with the growth of an infrastructure to a scale capable of radically changing the landscape of the area and creation of thousands of job related directly or indirectly to the mining operations. Yet none of the above two is the first project of this kind conceived in the country and put into papers for action. The Joypurhat limestone mining project was the first project of this kind undertaken by the government. However, in spite of all its techno-economic feasibility, the project did not take off the ground. The question remains what happened to the Joypurhat limestone mining project?

The Joypurhat Limestone Mine and Cement Project was approved by the Bangladesh Government in 1974 whereby an underground deep mine was supposed to be established to extract limestone mainly to feed a planned cement factory to be built near the mining area at Joypurhat with the aim

of achieving self-sufficiency in cement in the country.

Cement is one of the basic building materials required for development of physical infrastructure of the country. Till date Bangladesh is almost totally dependent on import for either finished cement or for raw materials for producing cement. Limestone is the basic raw material for producing cement and a very small amount of it is being extracted at Takerghat in Sylhet to partly meet the requirement of the Chattak Cement Factory. The Takerghat open pit limestone mine, the only one of its kind in Bangladesh, produces only about 30,000 tons of limestone per year against a requirement of about 170,000 tons of limestone per year at the Chattak Cement Factory.

The proposed limestone mine at Joypurhat was targeted to produce about 16 lakh tons of limestone per year and to support the planned cement factory which would produce about ten lakh tons of cement per year. The country would have moved towards self-sufficiency in cement with the implementation of the project.

In 1979, the Saudi Arabia government agreed to provide fund for the proposed limestone mine. The government started building up an infrastructure in the proposed mine site with leasing and developing lands, construction of

roads and housing complex including hospitals and schools for the proposed mining project personnel.

By 1980, an estimated Taka 41 crore with a foreign exchange component of Taka 14.69 crore had been spent on the development of physical infrastructure i.e. building and road constructions. But since then, the project remained stand-still with no further work being done. The Saudi fund never came and the project did not get off the ground. At present, a small contingent of officials maintains and inert presence in the mine site who are in the payroll without any job to do.

Limestone is a sedimentary rock composed of calcium carbonate and is being used as raw material for cement industry. Bangladesh has small surface limestone deposits sporadically scattered along a 12-mile stretch of Sylhet-Meghalaya border area. However, huge deposit of limestone has been found in the subsurface in the North-Western part of the country i.e. Joypurhat-Bogra-Rajshahi area.

Initial surveys under the UN-Pak mineral project during 1962-64 had detected persistent thick limestone bed in the area at depths from 405 to 582 meters, as encountered in 10 drill holes. The lateral extent of the limestone bed has subsequently been proved, by

geophysical and drilling surveys. In 1966, chemical analyses of the core samples of limestones indicated its suitability for manufacturing of cement. Reserve calculation has indicated that the limestone has enormous reserve standing at about 12,000 million tons in an area of 150 sq. miles.

A consulting firm, M/S Fried Krupp Rohstoff of West Germany, was commissioned to carry out feasibility of mining the above limestone deposit from underground. In its report submitted in 1966, Fried Krupp recommended a scheme of development of a limestone mine in Joypurhat area and establishment of a cement factory to be fed by the extracted limestone. The feasibility report was then re-appraised by M.S. Powell Duffryn Technical Service, another consultant from Europe. On the basis of the above studies, the Joypurhat Limestone Mine and Cement Project was approved by the then Pakistan government in 1969 and subsequently by Bangladesh government in 1974.

The mining was proposed to be done by underground method by sinking vertical shafts from the surface. A mine site has been proposed with an area of 2.5 sq. miles near Joypurhat town. In the proposed mine site, the limestone beds occur at depths

from 515 to 541 meters below surface and have thicknesses between 11 to 21 meters with an average of 15 meters. The limestone reserve has been estimated at 270 million tons in the 2.5 sq. miles area of the proposed mine site.

In June 1979, the Saudi government signed an agreement with Bangladesh government agreeing to provide a fund of 30 million US dollars for the establishment of the limestone mine. But subsequent political instability, with the assassination of late President Ziaur Rahman who had personal initiative in making the deal, has seriously affected the above agreement. The attitude of the Saudi government towards the project changed and the agreement was never implemented.

In 1983, the government, at a cabinet meeting, reviewed the status of the Joypurhat limestone project. The meeting approved, in principle, a revised cost of 340 million US dollars of which 214 million dollars was marked for the limestone mine establishment and 126 million dollars for the cement factory. The government is yet to find a donor country to fund the above project.

The demand and consumption of cement depends upon the rate of development activity specially in a developing country. Per capita consump-

tion of cement in Bangladesh is around 10 kg, compared to the following 1976 per capita consumption values of the neighbouring country: 30 kg in India, 40 kg in Pakistan and 27 kg in Sri Lanka. The present demand of cement in Bangladesh is about 16 lakh tons per year. The Chattak Cement Factory provides about two lakh tons and the Chittagong Clinker Grinding Factory provides about three lakh tons of cement. The country is mostly dependent on imported finished cement from abroad.

The proposed Joypurhat Limestone Mine and Cement Factory Project is the only integrated project which could move the country towards self-sufficiency in cement. The present status of the project is not officially dead but without a life—and official of Mines and Mineral Directorate of Petrobangla puts it. The only way to implement the Joypurhat limestone and cement project is to find a donor country which will fund it. At a time when funds from donor countries for two of the deep mining projects i.e. Barapukuria coal mine and Maddyapara hardrock mine have been secured, the possibility of finding a third donor to fund the limestone mine project should not seem too remote," he added.

(The writer is a professor of the Department of Geology at Dhaka University.)

**BBC profits
\$ 200m**

LONDON, July 9: The BBC reported Friday an operating profit of 122 million pounds (200 million dollars) for the financial year ending in March this year, sharply up from five million pounds in the previous financial year, reports AP.

BBC Managing Director John Birt said the strong improvement was due to "producer choice" the company's new watchword, enabling producers to use outside contractors for broadcasts instead of internal services.

The policy was accompanied by shedding 1,500 jobs during the year, and 5,000 over the last five years, making a current staff of 20,500.

**US jobless rate
static at 6pc
in June**

WASHINGTON, July 9: The US unemployment rate in June remained unchanged at six per cent from the previous month, but the economy created 379,000 jobs, the Labour Department said here, reports AP.

Experts generally had expected an increase in the unemployment rate to 6.2 per cent and a more modest rise in non-farm payrolls of 260,000.

The department said 252,000 jobs were created in May, revising upward an original estimate of 191,000.

To good news for the US economy was immediately interpreted by the bond market as a sign of inflationary pressure, triggering a sell off. The average interest rate on the Bellweather 30 year treasury bond shot up to 7.67 per cent, from its 7.60 per cent level late Thursday.

The average hourly wage fell 0.1 per cent in June to 11.08 dollars and the average weekly salary declined 0.7 per cent to \$83.37 dollars, indicating that wage inflation remains contained.

The Labour Department noted that the number of new jobs may be higher because the June survey was taken late in the month and covered five weeks, rather than the normal four.

Katharine Abraham, Commissioner of the Bureau of Labour Statistics, said some new workers who may have been counted in July were included in the June survey period.

**A record 2.53m
Japanese may
travel abroad
this summer**

TOKYO, July 9: A record 2.53 million Japanese will travel abroad this summer to take advantage of the yen's stronger purchasing power, a major Japanese travel agency said Friday, reports AP.

The number of travelers going abroad in the July-August period will be up 10.4 per cent from the same period last year, the Japan Travel Bureau said in a release.

It surpassed the previous record of 2.29 million going abroad in the same period of 1993, the agency said.

JTB spokeswoman Junko Igarashi said the surging value of the yen and income tax cuts totaling six trillion yen (61 billion dollars) are encouraging travelers to choose overseas trips.

The yen has gained about seven per cent in value against the dollar over a one-year period ending June 30.

Lowered airline fares also contributed to boosting the number of Japanese going abroad, Igarashi said.

The number of Japanese making overseas trips was based on a survey of 2,000 people who have booked trips at one of JTB's 200 branches, bookings at airline companies and other travel data, Igarashi said. The figure excludes those going abroad for business.

The destination of choice of Japanese tourists this summer will be Hawaii, with 369,000 visitors, up 18.9 per cent from the same period last year. Next will be the US mainland with 365,000, up 9.3 per cent.

By region, Southeast Asia will be the most popular, with 1.02 million Japanese visitors during the two-month period, up 6.0 per cent from the previous year.

A total of 312,000 will travel to European nations, up 8.0 per cent, while 161,000 Japanese will visit Canada, up 7.5 per cent. About 152,000, the same number of last year's, will go to other Pacific nations, including Australia and New Zealand, the agency said.