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Delta Life introduces 'home loan scheme'

The Delta Life Insurance Company has introduced, for the first time in the country, a 'home loan scheme,' says a press release.

Under the scheme, the intending purchaser of an apartment on a newly-built condomonium makes a cash payment of minimum 25 per cent of the price. The balance is advanced by the insurance company. The company charges an interest on the loan in conformity with the ruling market rate. An endowment life insurance policy is issued on the life of the purchaser. Sum assured of the policy equals the loan amount. The term varies from 10 to 25 years, or even longer. The policyholder pays the insurance premiums and the interests on the loan. When the policy matures, the company retains the sum assured (the loan is thus paid-off), interest payments cease and the scheme terminates.

In case the insured dies anytime during the policy term the claim-money (the sum assured) is applied to liquidate the loan and the ownership of the property reverts to the nominated heirs. Until the policy terminates, through death or maturity, the property remains mortgaged with the insurance company.

BPC's river cruise

Bangladesh Parjatan Corporation (BPC) organised a day-long river cruise on Friday from the Pagla VIP jetty to Chandpur with colourful programmes both on board and the bank, report BSS.

Four hundred people, including fifty foreign tourists, enjoyed the riverine beauty of Bangladesh while they were crossing the rivers Buriganga, Dhaleswari, Sitalakhya, Meghna and Padma.

State Minister for Civil Aviation and Tourism Abdul Mannan, parliament members Alam Khan, Ataur Rahman Khan, Begum Rahima Khandaker, Syed Murshed Kamal, Alamgir Haider Khan, Secretary, Ministry of Civil Aviation and Tourism Nooruddin Al- Massod, Chairman Bangladesh Parjatan Corporation Abdus Samad Bhuiyan also enjoyed the cruise.

Nigeria calls

LAGOS, Aug 20: Nigeria's military rulers, hoping to break a crippling strike campaign aimed at forcing a return to democracy, has summoned retired oil workers back to their old jobs, reports Reuter.

Rupee made convertible on current account in India

NEW DELHI, Aug 20: India on Friday made the rupee fully convertible, on the current account, removing all restrictions on the currency's conversion for overseas travel, medical expenses, gifts and services for Indian citizens, reports AFP.

The International Monetary Fund has been informed of the move by the governor of the Reserve Bank of India, the central bank said in a statement.

The RBI delegated powers to banks to allow remittances for travel, studies, medical expenses, gifts and services for overseas Indians and said it will "decide favourably" on all requests for currency conversions for other needs.

"There are indicative limits up to where the authorised dealers (banks) can make available exchange facilities without RBI's approval," the central bank said.

"It does not extend to transactions on capital account and any outflow of funds apart from those in the current account would require approval of the Indian government," an RBI official said.

"It was a long-felt demand to remove such bottlenecks and irritants from the currency," said economist Sanjeev Verma on the full-float of the rupee on the current account.

India ordered partial convertibility of the rupee on the current account last year, in line with sweeping reforms aimed at shedding four decades of quasi-socialist insulation from its economy and during foreign capital to the country.

The rupee's floatation was the most radical measure in the market friendly 1993-94 budget package, unveiled in February 1993 by Finance Minister Manmohan Singh, the architect of India's economic liberalisation programme of 1992.

The government says the free-moving rupee would stimulate overseas sales.

The rupee initially fluctuated between 31 and 31.50 to the dollar after the partial floatation last year but gained stature against the greenback in coming days.

Foundation of Sonai bridge laid

MAULVIBAZAR, Aug 20: Finance Minister M Saifur Rahman has said that a revolutionary development had taken place in the road communication sector of the country during the last three and a half years, reports BSS.

The Finance Minister was laying the foundation stone of the proposed bridge over the river 'Sonai' at Baralekha thana under Maulvibazar district yesterday.

Addressing a public rally at the bridge site, the Finance Minister said, during the last three years thousands of kilometres of new roads were constructed and scores of bridges built to strengthen the physical infrastructure of the country which is the lifeline of all economic activities.

The 300-feet long proposed Sonai bridge would be built within the next one and a half years at a cost of Taka 2.5 crore which would be met from government's own resources.

The Finance Minister said, during the tenure of the government a number of big bridges like Buriganga, Meghna, Meghna-Gumti were constructed. A number of other huge bridge projects, including the biggest ever Jamuna Multipurpose Bridge Project, have been taken for implementation.

He said all other major bridges — including the Babubazar 2nd Buriganga Bridge — Dhaleswari bridge, Rupsha bridge and Meghna bridge at Bhairab would be constructed by the year 2000.

The meeting was addressed among others, by Khaleda Rabbani, MP, Ilays Ali, Abdul Khalique, Brigadier (rtd) Masuk Ahmed Chowdhury and Quayum Chowdhury.

Mominullah, Director of the Bureau of Mineral Resources Development and Oliver N Warin, Vice President of Broken Hill Propietory (BHP), signed an agreement in the city yesterday to discover and extract coal resources in the country's northern region. Energy and Mineral Resources Minister Dr Khandaker Mosharraf Hossain and Australian High Commissioner to Bangladesh K Aspinall are also seen in the picture. — PID photo

Boat race, organised by Bangladesh Parjatan Corporation, was held as part of a day-long river cruise yesterday.

WSE trying to tighten criteria for listing companies

WARSAW, Aug 20: The fast-growing Warsaw Stock Exchange is trying to tighten criteria for listing companies as part of changes that some analysts say may turn off foreign investors, reports AP.

The changes include creating a separate floor for companies that don't meet the new criteria of the main exchange, created in 1991 after a 50-year hiatus under Communist rule.

The changes are needed partly as a result of the enormous success of the exchange, which now list 28 companies, officials say.

According to the International Finance Corporation, an arm of the world bank, the Warsaw exchange is the fastest-growing securities market in the world, with an increase of 717 per cent in 1993. In April, prices plunged for five weeks, but have since improved.

"At the time when Warsaw Stock Exchange was "very young," the criteria were very vague and general," said Piotr Szeliga, chief of the quotations department at the exchange.

"Now we are flooded with new companies (applying to be listed). Thus, we have to carefully select" those to be listed, said Szeliga.

But at least one analyst is cautious about the changes.

"This is a rather serious thing they have done," says Suzanne Patrick, who analyzes central European capital markets for US brokerage Arnold and S Bleichroeder Inc in New York.

Foreign institutional investors may lose interest in the Warsaw exchange because of the time needed to track stocks of varying quality on the various levels of the exchange, she said.

She also said that had the tighter criteria been in place since the exchange's beginning, the market would have been deprived of a number of its best performers.

Under the proposed changes approved this week by the exchange's council, companies applying for listing would have to have minimum net asses of 90 billion zlotys (3.9 million dollars) and share capital of at least 45 billion zlotys (1.95 million dollars).

Previously, there was no minimum requirement on net assets while the requirement for share capital on the main board was only 20 billion zlotys.

At least 25 per cent of a company's shares will have to be held by small shareholders, who are defined as holding less than 5 per cent of a company's equity individually. The total minimum value of their shares will have to be 40 billion zlotys (1.73 million dollars).

The new requirement won't apply to the companies already quoted on the exchange, while the limits would be lower on the parallel market.

The council also decided to open another trading section for companies that don't meet necessary criteria and cannot be quoted on the main or parallel market.

The third section would pose a greater degree of risk for investors because a 10 per cent limit on the daily fall or rise of share prices won't apply.

Companies seeking to enter the third floor will have to obtain permission from the securities commission and provide references from a broker already a member of the stock exchange. The approval of the exchange council and its board won't be necessary.

Malaysian firms to build water system for Ho Chi Minh City

HANOI, Aug 20: Two Malaysian firms will build a 30 million dollar water supply system for the Ho Chi Minh City metropolitan area of more than four million people, an official report said Saturday, reports AP.

The government-published Vietnam Investment Review said Emas Utilities Corporation and Sadec Malaysian Consortium will initially sell water to the city's water supply company at 20 cents per cubic metre, under terms of the contract.

After 25 years, all facilities will be transferred to the Ho Chi Minh City People's Committee for the nominal price of one dollar.

Iran may carry oil to int'l markets for 3 Central Asian states

NICOSIA, Cyprus, Aug 20: Iran has reached an "understanding" with Kazakhstan, Turkmenistan and Azerbaijan to transport their oil to international markets, the Iranian Foreign Minister says, reports AP.

It could be a major development for Iran's struggling economy. Tehran also is competing with Turkey and Russia for influence in the former Soviet republics of Central Asia.

Foreign Minister Akbar Velayati said late Thursday the issue would be discussed further at a meeting in Tehran next week, Tehran television reported. Velayati did not give details.

The broadcast, monitored in Cyprus, quoted him as saying Turkmen President Separmurat Niyazov is expected to attend the meeting, along with energy ministers from Azerbaijan, Kazakhstan, Turkey and Russia.

Iranian officials have said they hope that key pipeline project to carry Turkmen gas via Iran and Turkey to Europe will be finalized during Niyazov's visit.

Velayati was speaking to reporters in Tehran a day after returning from a six-nation tour that took him to Kazakhstan, Turkmenistan, Uzbekistan and Kyrgyzstan in Central Asia and Azerbaijan and Nakhichevan in the Caucasus.

Ever since the collapse of the Soviet Union unshackled the resource rich republics from Moscow's rule, Tehran has been keen to have their oil and gas export routes to the West pass through Iran to gain economic dividends and political leverage.

But the Iranians have met stiff resistance from Turkey, whose Muslim but secular government is loathe to allow Iran's fundamentalist brand of Islam grow in the region, and from Russia, which is still trying to control oil and gas routes from its former empire.

Commodity markets: Prices of tea, sugar, gold, firm while oil, silver fall

LONDON, Aug 20: Oil and coffee prices rose at the beginning of the week on fears of supply cuts from Nigeria and Brazil respectively, but then dropped as the weekend approached, reports AFP.

The decision by Nigeria's military ruler to dissolve the leadership of the powerful Nigerian Labour Congress and two striking oil unions boosted prices midweek, as dealers feared the situation would degenerate into civil war.

But speculation that the military government would eventually impose martial law to break a national oil workers strike, which began on July 4, pushed prices lower at the end of the week.

Coffee soared after the US predicted a cut of between 30 and 40 per cent in the Brazilian harvest after severe frosts damaged crops. Brazil is the world's premier producer.

But coffee's gains eased after New York operators liquidated their positions ahead of the September contract delivery period.

The World Bank predicted that the current rise in commodity prices, which started a year ago, would be shorter and less marked than the soaring prices of the 1970s.

The difference is that formerly large buyers, such as the eastern European countries and the former Soviet Union, no longer have the resources, the bank said in a report.

GOLD: Firm. Gold spent most of the week hovering around 378 dollars per ounce, before rising through 380 dollars on Thursday on dollar weakness. The metal surprised analysts by lifting over a dollar on Wednesday in the wake of the 0.5-point rise in US interest rates. In theory, a rise in interest rates should make the dollar, rather than gold, more attractive to purchasers.

Elsewhere, production was restarted in the Porgera Mine in Papua New Guinea after an explosion on August 2 which caused 11 deaths.

Excluding South Africa, the mine is the most important in the world with annual production of one million ounces.

The Chamber of Mines also announced that gold production in South Africa had risen 1.6 per cent in July compared to June, bringing the total for the first seven months of the year to 339,047 tonnes — a cut of 5.4 per cent on the same period a year earlier.

SILVER: Lower. Prices dropped to their lowest level since January 28 on Monday, at 5.05 dollars per ounce. This was a three-per cent drop on prices at the Friday close. On Thursday, silver lifted slightly to 5.1075 dollars.

Dealers said Mondays' fall was largely technical after prices hung around the 5.20-dollar level last week. They predicted silver would fall below five dollars in the coming months, even though several US funds had predicted rises of up to six dollars.

PLATINUM: Lower. The metal ended the week at around 411.25 dollars per ounce from 413 on Friday. Analysts said the particularly dull trading could encourage dealers to engage in technical selling and push the metal through 406 dollars.

COPPER: Rising. Copper rose by around 10 dollars during the week to around 2,426 dollars per tonne.

Dealers said business had dried up in Europe, but added that the market was remarkably steady for this time of year, although typically quiet.

One admitted, though, that "speculative bulls were propping up the market" and that stocks are continuing to rise, albeit in manageable quantities."

An analyst discounted talk of around 40-60,000 tonnes of Russian material entering the market in the next few months, saying this quantity had already been factored into prices.

Elsewhere, the government of Papua New Guinea took back control of the Panguna copper mine on the island of Bougainville from the Bougainville revolutionary army, which seized it in 1989.

Dealers at GNI said the strike at Australia's 380,000-tonnes- per-annum capacity Tomago aluminium smelter had been extended indefinitely following the collapse of further wages talks.

The government said the largely - derelict 552,000-tonne mine, owned by Australian company CRA, was a necessity for the country's economy the huge mine accounted for 20 per cent of state revenues and 44 per cent of export earnings until it ceased production 1989.

GNI said initial production could begin within 18 months or so, but that it would be several years before the world market feels the effects of this additional supply.

Stocks on the LME rose 7,100 tonnes to 353,575.

LEAD: Higher. Lead lifted around 20 dollars to 593 dollars per tonne.

The International Lead and Zinc Study Group (ILZSG) said refined lead production rose by 0.6 per cent in the first half of 1994, compared to the same period a year earlier.

Overall, lead consumption strengthened by 4.1 per cent on strong growth in the US contrasting with generally static levels in Europe and reductions in Japan.

Stocks of lead reported by producers fell by 5,200 tonnes in June to 193,800 tonnes.

Stocks on the LME rose 2,450 tonnes to a record 367,875.

ZINC: Static. Zinc varied little during the week, ending two dollars higher at 970 dollars per tonne.

The ILZSG said zinc production rose by one per cent, while consumption strengthened by 2.2 per cent. Stocks increased by 3,900 tones, to total 398,000 tonnes at the end of June.

Stocks on the LME rose 6,125 tonnes to a record 1,230,525 tonnes.

ALUMINIUM: Stable. The metal closed the week virtually unchanged at 1,4191 dollars per tonne, although it dipped midweek.

The plant is currently producing at the targeted annual rate of 346,000 on a reduced workforce, but output is likely to become affected eventually if the dispute drags on, they said.

Elsewhere, dealers at GNI said China had opened the first metals market in the north-western region.

The exchange, at Lanzhou, could develop into a futures exchange with time, paving the way for others following the crackdown on futures exchanges recently undertaken by the government, they said.

Stocks on the LME dropped 26,375 tonnes to 2,464,675 tonnes.

NICKEL: Higher. Nickel rose a round 80 dollars to end at 5,870 dollars per tonne.

Analysts at Rudolf Wolff Trade House said despite continuing fears of further Russian exports to the LME many merchants now continue to view the market as undervalued after the recent pull-back.

Elsewhere, Norilsk Nickel, Russia's largest producer of nickel, copper, cobalt and platinum group metals, said it had paid outstanding wages to workers dating back to June and hence avoided a threatened strike.

Norilsk management said they were confident wages would be paid more punctually in future, and they expected the situation to stabilise although the company still owes workers 150 billion roubles.

Separately, a spokesman for Cuba's state-owned Cubaniquel producer said Cuba's present economic and political troubles were not affecting production.

Stocks on the LME rose 1,302 tonnes to a record 1,302 tonnes.

TIN: Rising. Tin lifted around 110 dollars to 5,310 dollars per tonne, up in line with nickel.

Elsewhere, dealers reported that the South Crofty Tin Mine in Cornwall, south-west England, is to be allowed to remain open, having raised 1.15 million pounds in a share issue.

Once it has been established that the issue has satisfied all requirements the department of trade and industry will write off debts amounting to around 30 million pounds, they said.

Weekly stocks on the LME rose 290 tonnes to a record 31,455 tonnes.

COFFEE: Rising. Prices rose initially five per cent in the first two days of the week, but then fell back in the wake of declines in New York to end at around 3,338 dollars per tonne — a two per cent rise on the previous Friday.

The initial jump was due to the US Department of Agriculture (USDA) forecasting a cut of between 30 and 40 per cent in the 1995-1996 season (May-April) harvest, after frost in June and July.

The forecast a harvest of between 17 and 20 million bags, compared to 29 million bags originally predicted, and the 26 million bag gathered in 1994-1995.

The announcement of a 196,000-bag cut in US stocks of green coffee to 5.291 million bags, also helped prices.

Prices fell in New York price after dealers sold their September futures contracts as the period of delivery begin shortly.

COCOA: Calm. Prices fluctuated between 1,060 and 1,080 pound per tonne as the market desperately looked for something to bite on.

Dealers were particularly interested in the state of the harvest from the Ivory Coast, the world's premier producer, after drought in recent months.

Cameroon, the world's seventh-largest producer, announced that the liberalisation of cocoa and robust a prices for 1994-1995 season. Until August 1, prices were fixed by the government.

SUGAR: Firm. Prices fluctuated around 315 dollars per tonne, before reaching 318 Thursday on Chinese demand.

"The Russian sugar beet harvest could fall by 25 per cent this year, meaning production would fall to 19 million tonnes," they said.

VEGETABLE OILS: Firm. The price of vegetable oils remained firm on the Rotterdam market, although the review oil world predicted a rise in world production in 1994-1995 for the second consecutive year.

The review predicted a harvest of 242 million tonnes for the 10 main oil grains, a rise of nine per cent on 1993-1994, which itself was marked by a 15 per cent rise on the previous year.

In July, oil world had predicted a harvest of 240 million tonnes. The US soya harvest was revised upwards, but those of Brazil, Argentina and China were revised downwards.

The rise in palm oil price, currently at their highest level for nine years, have been limited by the latest estimates of the Malaysian Palm oil Registration and Licensing Authority (MPRLA).

MPRLA said Malaysian production has risen 9.4 per cent in July to 612,267 tonnes compared to the June figure. Stocks dropped four per cent to 451,475 tonnes while exports rose 30 per cent to 562,356 tonnes.

OIL: Lower. Prices reacted to the Nigerian situation, dipping to 16.50 dollars a barrel — the lowest level since mid June — at the end of the week, after registering 17.14 dollars the previous Friday.

But midweek, prices zipped up through the 17 dollars-a barrel level after the situation reached crisis level when the trial of opposition leader Moshood Abiola was adjourned and the leadership of the striking oil unions dissolved.

The seven-week oil strike, aimed at forcing the military regime to release jailed opposition leader Moshood Abiola and install him as president, has crippled Nigerias' oil-dependent economy, cutting production by 25 per cent.

But speculation that the military government would eventually impose Martial Law to break the strike which began on July 4, pushed prices lower at the end of the week.

RUBBER: Prices rose by 17.5 pounds per tonne to 877.5 pounds per tonne in London, while Asian markets were shut after the recent high price levels.

But trading remained limited to the futures market, reflecting merely a speculative interest, while short-term demand remained quite.

GRAINS: Firm. The prices of barley and wheat remained stable around 106 pounds per tonne.

The British grains office said initial information on the European Union grain harvest suggested this year's crop would be slightly lower than the 176 million tonnes collected last year.

The USDA also revised downwards its forecasts for the harvest of wheat and coarse grains from the Soviet Union in 1994-1995 by one and four per cent respectively.

The wheat harvest is currently estimated at 73.47 million tonnes compared to 83.6 million tonnes the previous year, while coarse grain is estimated at 86.59 million tonnes from 93.98 million tonnes.

COTTON: Weak. The London price indicator dropped two cents to 75.20 cents per tonne, while New York prices were affected by USDA predictions that the US harvest would reach 19.2 million bales (each of 480 pounds) in 1994-1995.

This figure, if achieved, would beat the record achieved in 1937 and would represent a 19 per cent rise on the previous year.

Elsewhere, the production of cotton grains in Benin rose to 277,000 tonnes in 1993-1994, a rise of 71 per cent on the previous season, placing the country top of the West-African producers, ahead of Mali and the Ivory Coast.

Production in the Ivory Coast rose 8.2 per cent to 258,343 tonnes in 1993-1994, official sources at Abidjan said.

WOOL: Higher. The Bradford reference price of wool rose six pence per kilo to 448 pence, buoyed by prices in Australia and New Zealand, where prices reached their highest level for 27 months.

Wools of New Zealand (formerly the wool board) estimated that the production in that country should drop by two per cent to 205,000 tonnes in 1994-1995 — its lowest level for 20 years.

Even counting official stocks, at 21,000 tonnes, supply is likely to beless than demand, estimated at 245,000 tonnes.

TEA: Stable. Demand remained healthy on the weekly market, where prices rose by two pence a kilo to 160 for top quality tea, but dropped two pence to 120 for medium quality tea, while lower grade tea remained at 84 pence.

The specialist review the public ledger reported that the current drop in prices and exports could force India, the world's largest consumer and producer, to cut production from its target of one million tonnes between now and the end of the century.

India's largest problem is due to the breakup of the Soviet Union in 1991. The USSR then bought 100,000 tonnes of tea per year, about half of Indian exports, but the CIS now buys practically nothing as it has no extra resources.