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New telecom policy for pvt sector participation soon

A telecommunication policy encouraging competitive private participation in the sector for its development is likely to be placed before the Cabinet for approval soon, reports UNB.

Official sources told UNB that the Ministry of Post and Telecommunications had already completed interministerial consultations on the policy and was now preparing necessary technical assistance project documents to employ consultants to carry out a tariff study.

Asked about a lone private firm operating in the sector in installing cellular telephone, a high official of the ministry said the agreement with that company expired on July 25.

"The government is now free to negotiate with various private firms for expansion of cellular phone facilities on competitive basis," said the official requesting anonymity.

He regretted that a vested quarter was trying to obstruct the government policy of privatisation, to the detriment of the interest of telephone subscribers and growth of the sector.

The cellular telephone came to Bangladesh through a private company after it signed an agreement with Bangladesh Telegraph and Telephone (T&T) Board in 1989. The 20-year accord which gave the company an exclusive right to monopoly business for five years ending on July 25 this year.

The sources complained as there was no guideline for installation or call charges in the agreement, the company charged an exorbitant rate of Taka 1.20 lakh for a cellular phone. Later, it was reduced to Taka 70,000.

"It is a monopoly which increases inefficiency and costs," said a study conducted by the World Bank.

Official sources said several foreign companies had already expressed interest to install cellular mobile telephone service at a cost of Taka 20-25 thousand, almost equal to the charge of a digital phone connection.

Without major sectoral reforms, the WB study noted, the gap between demand and supply of telephones is not likely to decline, and may increase, over next ten years from its current level of about 270,000 lines.

Bangladesh's telephone penetration rate of two main lines per 1000 people is one of the lowest in the world. In the region, Pakistan's rate is 10, India and Sri Lanka have 7, and Nepal has 3.

The country's main telephone line growth has failed to keep pace with demand. During the 1988-1991 period, the main lines in service increased at a compound annual rate of about 6 per cent, whereas the waiting list for telephone services grew at about 9 per cent per annum. This has happened despite one of the highest installation charges for digital lines in the world, currently around 500 US dollar per line.

All the current indicators of service quality are below international standards. It is estimated that successful call completion rates are around 30 per cent, well below an acceptable target of 65 per cent.

Completion rates are higher in China (58 per cent), Indonesia (40), Morocco (43), and the European Community (35). A recent small survey on business telephone users shows widespread dissatisfaction with T&T's overall performance.

For medium to large business customers, the relative level of charges is not as important as obtaining the telephone connection itself and the subsequent quality of service. Despite their large potential revenue streams, almost 40 per cent of business customers have to wait 12 months or more for a new connection.

In view of the prevailing situation, the World Bank has suggested that T&T should be transformed into a market-oriented commercial organisation for a substantial improvement in its performance.

To commercialise, the T&T Board need to form a strategic alliance of its own with a leading foreign telecommunication firm (with substantial management control) in order to compete with the newly-licensed operator, the WB suggested.

It viewed that a transparent regulatory environment is essential to promote competition, attract private sector investors, and ensure operators make rational decisions about network and service development of telecommunications in the country.

The telecommunication strategy should include establishment of Telecommunications Regulatory Board (TRB) as a statutory authority that is financially and operationally independent of the Ministry of Post and Telecommunications, and responsible for administering most aspects of regulatory policy, including regulation of the radio spectrum.

In order to minimise the regulatory oversight by this transition regulatory group, while the TRB is being established, the licence issued to the telecommunications operators should incorporate in detail the terms and conditions for operation. Interim regulation should focus mainly on technical matters and spectrum management.

45th auction of BB bill held

Nineteen bids for a total amount of Tk. 651 crore were received at the 45th auction of the 91-day Bangladesh Bank bill held yesterday, reports BSS.

According to a Bangladesh Bank press release, two bids were accepted. Face value of the bids accepted was Tk.100 crore.

The weighted average price of the accepted bids was Tk. 99.68 per 100 Taka. The corresponding yield is 1.29 per cent per annum, the press release said.

NCC Bank opens new branch at Bangshal

A new branch of National Credit and Commerce Bank Limited (NCC Bank) has been opened at 216, Bangshal road, in the city, says a press release.

With this, the total number of branches of NCC bank comes to 21.

The Deputy Governor of Bangladesh Bank, Kamal Uddin Ahmed who was the chief guest at the ceremony formally opened the branch yesterday. The chairman of NCC Bank M Haider Chowdhury presided over the function.

In his speech, Kamal Uddin Ahmed said if the banking sector becomes sick, the country's economy will also be sick.

He urged the bankers to be cautious in providing loans.

The Bank Chairman, M Haider Chowdhury, sought everybody's cooperation for smooth operation of the branch.

ABM Kamal Uddin Khan, Director of NCC Bank, Fariduddin Ahmed, Managing Director and Secretary General of Bangshal Cycle Parts Association, Al Haj Sirajul Islam, also spoke on the occasion.

Kamal Uddin Ahmad, Deputy Governor of Bangladesh Bank, inaugurated the 21st branch of National Credit and Commerce Bank Ltd. at Bangshal in the city yesterday. NCCBL Chairman M Haider Chowdhury and Managing Director Fariduddin Ahmed are also seen.

Country can finance 36 pc ADP from own resources: Biswas

President Abdur Rahman Biswas said yesterday that rural development was essential for sustainable development of the country. "If we can develop the villages, we can develop the whole country," reports UNB.

President was talking to a 110-member delegation of Kodalia Pallimongal Samity of Mirzapur thana in Tangail district led by Advocate Abdul Aziz when they called on him at Bangabhaban.

Referring to the development activities of the government, President Biswas said that the country was about to be self-sufficient in food production and literacy rate was also gradually increasing.

"We can finance the annual development programme to the extent of 36 per cent from our own resources," he added.

President Rahman Biswas said that honest and sincere endeavour of the administration as well as the conscious sections should be geared up to alleviate poverty from the society.

He assured that initiatives have to be taken to evolve self-generating employment opportunities in the villages through setting up of small and cottage industries, pisciculture and tree plantation programme.

The leaders of the samity apprised the President about their success in eradicating illiteracy from the village. They informed that everybody in the village can sign and there is no child in the village who does not go to the school.

BIBM training course er

An 18-day training course on Foreign Trade and Foreign Exchange, concluded at the Bangladesh Institute of Bank Management (BIBM) in the city yesterday, says a press release.

BIBM conducted this course with a view to familiarising the participants with the concepts and issues in foreign trade and foreign exchange.

A total of 49 officers from different banks and financial institutions participated in the course.

A H M Nurul Islam Choudhuri, Director General of BIBM, presided over the concluding session and gave away certificates to the participants.

In his brief speech, Choudhuri underscored the role of foreign trade and foreign exchange in our national economy. He stressed the importance of conducting transactions relating to foreign trade and foreign exchange meticulously by observing the rules, regulations and practices of both home and abroad.

Bangladesh trade fair in Bhutan from Sept 10

By Staff Correspondent

Fifty leading export houses of the country are expected to participate in the nine-day single country Bangladesh Trade Fair in Bhutan, scheduled to begin on September 10.

This will be the first such trade fair organized by Bangladesh in Thimpu, the capital of Bhutan.

King Jigme Singye Wanchuk of Bhutan will inaugurate the fair.

Sources in the Bangladesh Export Promotion Bureau, under whose auspices the fair will be held said, there is enormous demand for Bangladeshi products in this Himalayan kingdom. But because of communication difficulties, Bangladeshi goods are not available in this neighbouring country. "This fair will contribute to promoting our business with Bhutan," a high ranking EPB official told The Daily Star.

The exportables which will be displayed at the exhibition include pharmaceuticals, ceramic and tablewares, melamine products, jute and jute goods, audio-video tapes, readymade garments and electric cables.

Bangladesh has an adverse balance of payments position with Bhutan. In the last fiscal year, Bangladesh exported goods worth around Tk 70 lakh to Bhutan while the country imported goods worth about Tk eight crore.

The major trading houses expected to participate in the fair are the Bangladesh Jute Mills Corporation, Fisons, Mousumi, Square Pharmaceuticals and Toiletries, Marsha Audio-Video and Bengal Fine Ceramic.

A 20-member delegation from Bangladesh comprising government officials and businessmen will attend the fair.

Training on maize production begins

A three-day trainers training programme on maize production, marketing and utilization has begun yesterday at the conference room of Bangladesh Agricultural Research Council (BARC) in the city, reports BSS.

The training programme has been organised by Bangladesh Agricultural Research Institute (BARI), in collaboration with Integrated Maize Promotion Project (IMPP).

Thirty field level officers from BRAC and RDRS are participating in the programme, according to a press release.

Dr MSU Chowdhury, Executive Vice Chairman, BARC inaugurated the training programme. In his inaugural address, Dr Chowdhury emphasised the need for integrated approach to maize production and marketing.

Among others, BARI Director General Dr SM Elias, and Chief Scientific Officer Dr Helalul Islam spoke on the occasion.

Chinese team meets Saifur

The visiting eight-member Chinese delegation yesterday called on Finance Minister M Saifur Rahman at his office, reports UNB.

The delegation was led by Director General of the Ministry of Foreign Trade and Economic Cooperation of China Sun Guangdang.

They discussed matters relating to mutual cooperation with particular reference to the Korotoa bridge and 250-bed friendship hospital to be set up with Chinese aid.

China has committed to donate 8.5 million US dollar equivalent to Taka 34 crore for the proposed Korotoa bridge at Panchagarh and 5.7 million US dollar equivalent to Taka 24 crore for the friendship hospital here, said a PID handout.

19,400 MT wheat sanctioned for women's dev

The government has sanctioned 19,400 metric tons of what for socio-economic development of women, reports BSS.

This was stated at the 28th meeting of the Parliamentary Standing Committee on Women and Children Affairs ministry at the Sangsad Bhaban yesterday.

State Minister for Women and Children Affairs Begum Sarwari Rahman presided over the meeting.

Members of the committee Osman Gani Khan and Shaheda Sarker of BNP attended the meeting. Joint Secretary of Women and Children Affairs Ministry Sirajuddin Ahmed was also present.

Expiry date of imported food items tampered with: BSTI

Manufacturing and expiry dates of many imported food items are allegedly being tampered, posing public health hazards.

The importers are abusing the absence of an effective consumer protection law, officials at Bangladesh Standard and Testing Institute told UNB.

The BSTI revealed that a brand of fruit juice imported last month showed confusing manufacturing and expiry dates. Two samples of "Shezan" mango juice cartons, tested by the BSTI, showed the printed dates of manufacturing as 4.9.94 and 4.12.94 respectively with the consumption validity of one year.

Another sample of imported mango juice with the brand name of "Jumpin" showed on its carton a one-year consumption period, while the manufacturer's specification advised its consumption within six months.

The BSTI official, however, said the international standard of consumption period in case of food item is not more than three months.

He described the manipulation of the dates of imported mango juice as "a case of cheating".

"The country is yet to implement its food act made in 1959," the BSTI source said, adding "even none in Bangladesh gets punishment under the Special Powers Act 1974 which even provides capital punishment for adulterated food and drinks.

He, however, viewed that no law could stop such malpractice unless the consumers are aware of their own rights. The consumers should come forward to ensure their safety and protection, he commented.

The official also stressed the need for bilateral agreement between importing and exporting countries, as in European and other developed countries, to stop manipulation of dates and import and export of substandard goods, specially food items. "Local law should prevail in such cases."

Turkish trade team arrives in Baghdad

NICOSIA, Aug 28: A 60-strong Turkish delegation arrived Saturday in Baghdad to discuss reviving bilateral economic ties with Iraq, the Iraqi news agency INA monitored here reported, says AFP.

INA said the delegation included the presidents of chambers of commerce and industry and the heads of commercial and industrial firms.

INA said they would be discussing ways of meeting Iraq's needs in food and medical supplies.

Commodity markets: Prices of tea, coffee, palm oil, silver, copper, aluminium higher

LONDON, Aug 28: Oil prices showed the most dramatic movement during the week, falling to their lowest level for four months at the beginning of the week, before rising later, reports AFP.

Initially, dealers believed the seven-week crippling oil workers' strike in Nigeria was about to end as there were signs of a drift back to work, but Shell then closed one of its export terminals, and prices lifted again.

On the London Metals Exchange (LME), copper took the other metals higher as dealers believed consumption would continue to exceed production next year, and the market saw the end of the quiet summer period in sight.

Among vegetable oils, palm oil soared to its highest price in over ten years on the Rotterdam market, as demand increased in the wake of a cut in production from Malaysia — the world's number one producer.

Elsewhere, quiet summer conditions ensured only moderate movements, wool rose slightly, as did coffee, but the precious metals were little changed.

GOLD: Rising. Gold rose around three dollars during the week, from 381 to 384 dollars per ounce, on speculative buying dealers aid.

Although prices rose slightly, the market was essentially extremely calm in quiet summer trading. A rise in the dollar did not affect gold.

SILVER: Higher. After falling to low levels last week, silver lifted to around 5.30 dollars per ounce on Friday.

PLATINUM: Lower. Platinum ended the week lower at around 412 dollars per ounce, due to particularly quiet trading, rather than any downward trend, dealers said.

COPPER: Higher. The red metal rose around 15 dollars during the week to 2,415 dollars per tonne, buoyed by drawdowns in US stocks and optimistic reports on future consumption levels.

The Bloomsbury Minerals Economics Consultancy said the sale of surplus copper stocks could depress prices in September, but they are likely to start firming again in October.

The group said western world copper consumption is on track for a 500,000 tonne or 5.5 to six per cent increase this year — to 9.635 million tonnes — and one of 350,000 tonnes, or 3.5 to four per cent, in 1995.

Output can be expected to slip by 50,000 tonnes or 0.5 per cent to 9.045 million tonnes this year, and in 1995, to grow by about 500,000 tonnes or 5.5 to six per cent, the group said.

Elsewhere, Chile's Cominco has located two new and apparently substantial mineralised zones in Celeste containing significant copper reserves, but further drilling is required to determine the extend and grades of the deposit.

Stocks on the LME rose 6,875 tonnes to 360,450 tonnes.

LEAD: Rising. Lead lifted around 12 dollars to 594 dollars per tonne at the end of the week, rising mainly on the back of copper.

Dealers said there was some support from news that China's largest primary refined lead producer, the Shuzhou Smelter, will halt production temporarily this month due to shortages of lead concentrate and various technical problems.

Billiton-Enthoven metals said lead was set to enjoy higher prices next year, based on better demand and recovery in the key markets of the US and Europe.

The outlook is 'positive' and fundamentals will support "renewed strength" this year, the group said in a report, adding, however, that in the short term, the metal needed "fresh impetus" to push it higher.

Stocks fell 1,025 tonnes to 366,850 on the LME.

ZINC: Rising. Zinc rose 23 dollars to 997 dollars per tonne during the week, rising on good fourth quarter consumption prospects and the fact that tight supplies of concentrate (an intermediate material) would induce a natural control over production levels in the not too distant future.

Reports that Peru's Cajamarquilla refinery has declared force majeure on 25 per cent of its production for the next eight weeks following the failure of a power transformer also aided the market.

But the lost production of refined zinc will total around 3,000 tonnes, which dealers at GNI described as "a drop in the ocean".

Stocks rose 3,625 tonnes to a record 1,234,150 tonnes.

ALUMINIUM: Higher. Aluminium rose around 26 dollars during the week to 1,516 dollars per tonne, buoyed by copper and on encouraging figures.

European primary aluminium production fell between seven and eight per cent in May and June to 258,075 tonnes and 247,917 tonnes respectively, reflecting the effect of multi-lateral producer cutbacks, the European Aluminium Association said.

But aluminium market watchers have warned that current price levels —30 per cent up from the end of last year — could discourage some producers from continuing to curb output.

Elsewhere, negotiations at Australia's Tomago Smelter, where workers are on strike, are not going well, a company official said.

Production, however, is still being maintained at the equivalent of 346,000 tonnes per year but that will be affected if the strike is drawn out, dealers said.

Stocks fell an encouraging 8,475 tonnes to 2,456,200.

NICKEL: Higher. Prices lifted 220 dollars to 5,990 dollars per tonne.

Events at Russian producer Norilsk nickel and talk of possible supply disruptions captured the market's attention with reports of continued worker dissatisfaction over late payment of wages and lack of supplies.

Dealers said that problems at the world's largest nickel producer were likely to cause Russian exports of the metal to the west to fall to about 95,000 tonnes this year, a 14 per cent drop from the 110,000 tonnes expected at the beginning of 1994.

Elsewhere, Japan's Sumitomo Metal Mining predicted global stainless steel production would reach 13.54 million tonnes in 1995 as strengthening economies in Europe, The US and the Far East increase demand. Nickel is used in stainless steel.

TIN: Rising. Tin rose around 130 dollars to 5,370 dollars per tonne during the week. Dealers said the metal was technically positive, having broken above a downtrend line in the chart that extends back a couple of months.

Fundamentally, however, dealers said the Association of Tin Producing Countries (ATPC) pact was breaking down because of China's over-production, while Peru is likely to increase output to 20,000 tonnes from 13,700 tonnes last year.

Elsewhere, Malaysia Smelting Corporation said the global market was adequately supplied with tin despite output falls in Malaysia, Thailand and Brazil.

"On a global basis, falls in mine production ... appear to have been offset by increase output in Peru.

Stocks rose 235 tonnes to a record 31,690 tonnes.

COCOA: Lower. Prices fell from 1,070 to 1,040 pounds per tonne during the week in quiet technical trading in the summer period.

Dealers noted that chocolate producers were currently scarce, leaving the market open to investment funds, leading to a slight erosion in prices.

Brokers GNI predicted there would be little change ahead of the first estimates of the Ivory Coast harvest — the world's premier producer — which are due out in September.

COFFEE: Higher. Coffee rose over 200 dollars on the first two days of the week, in a speculative wave aided by a dry period in Brazil.

Coffee producers say the plant has entered into the flowering period, an essential process in which the coffee "buds" for the 1995-1996 harvest are formed. A lack of rain could harm the crops which have already been badly hit by two cold snaps.

The speculative wave diminished on Wednesday, however, when dealers learned that rain was due.

SUGAR: Stable. Prices remained between 318 and 320 dollars per tonne in quiet trading.

Dealers, however, predicted a cut in harvests in Europe and the CIS (the former Soviet Union) due to dry conditions.

London brokers Czarnikow predicted world sugar production in 1994-1995 would rise compared to the previous year, but would remain below world consumption levels.

Czarnikow predicted that world production would rise to 114.25 million tonnes of raw materials, up five million on the previous year.

Despite this, consumption — itself expected to drop by 1.96 million tones — is predicted to exceed production.

VEGETABLES OILS: Higher. Palm oil rose sharply on the Rotterdam market to its highest price for over 10 years on a wave of speculative buying ahead of large-scale purchases by India and Indonesia.

Weak stocks and firm demand have seen prices rise since the beginning of the year. The specialist review oil world, however, predicted a rise in world production to 13.82 million tonnes and 15.07 million tonnes in 1994 and 1995 respectively, compared to 13.68 million tonnes in 1993.

Soya oil lifted as the market took notice of weather reports predicting bad conditions for the US harvest. Other oils were also higher alongside.

OIL: Lower then higher. The price of Brent crude North Sea oil dropped through the key 16-dollars-a-barrel level on Monday, for the first time in four months, as dealers believed the Nigerian oilworkers' strike could end soon.

Rod Maclean, analyst at Smith New Court, said dealers increasingly believed the seven-week oil strike, was winding down and could end, as "some of the workers are going back to work," particularly in the refineries and oil fields.

The strike, which began on July 4, is aimed at forcing Nigeria's military regime to release jailed opposition leader Moshood Abiola and install him as president.

Prices also fell as the end of the traditional July-August repair period for North Sea platforms neared its end. Dealers said the return to production in September could temporarily upset the balance of demand and supply.

But oil prices then lifted to around 16.4 dollars a barrel on news that shell International had closed its Forcados terminal in eastern Nigeria over the weekend. The terminal generally exports 500,000 barrels of crude a day.

Nigeria, OPEC's fifth largest producer, normally produces around two million barrels of oil daily or three per cent of world production.

RUBBER: Slightly higher. Rubber rose to around 900 pounds per tonne, mainly on speculation on the Japanese markets.

Dealers here said prices would not remain at that level for long, as the market was not firm enough, but they also noted that the International Rubber Organisation (INRO) no longer possessed the means to stop speculative rises, having sold most of its stocks.

GRAINS: Irregular. The prices of wheat and barley declined one pound during the week, in light holiday trading.

Midweek, prices rose in Chicago and London after a drop in official estimates for the Australian harvest to 11 million tonnes from 18 million because of drought.

Elsewhere, the International Wheat Council also dropped its world production estimates to 536 million tonnes in 1994-95 (July-June) from 544 million tonnes after poor harvests in Russia, Canada, Pakistan, Turkey and Australia.

TEA: Higher. The average auction price of tea rose to around 122 pence per kilo on improved demand, with medium quality teas particularly popular.

Top quality tea rose six pence to 166 pence per kilo, medium tea rose two pence to 122 pence per kilo and low quality tea dropped four pence to 80 pence per kilo.

COTTON: Stable. After dropping in recent weeks, the reference price of cotton stabilised around 75 cents per pound.

In New York, prices rose spectacularly on a large order of US cotton by South Korea and on poor harvests in Australia and Uzbekistan which suffered from drought.

Prices then dropped towards the end of the week on the prospects of a large US harvest.

WOOL: Higher. the bradford reference price rose to around 4.54 pounds per kilo, as the market was sustained by strong Asian demand and a drop in world stocks.

The specialist review public ledger said the Australian drought should lead to a drop in the country's wool production. One Australian producer has forecast production at 735 million kilos in 1994-1995, compared to 750 million previously.