

BB liberalises  
credit guarantee  
scheme again

By Staff Correspondent

Bangladesh Bank has further liberalised its Small Industries Credit Guarantee Scheme designed to encourage the setting up of employment generating rural agro-based enterprises.

According to an announcement yesterday, Bangladesh Bank would now guarantee loans up to three times the investments by individual entrepreneurs, to be given by the participating scheduled banks. Initiated last year, loans under the scheme could only be up to two times of the amount of investments.

However, the maximum ceiling under the credit guarantee scheme would remain the same at Taka 25 lakh.

Mobil to build  
oil plant  
in China

BEIJING, Sept 13: Mobil Oil Corp plans to build a plant to make lubricant oil in Tianjin, the company announced Tuesday, reports AP.

The company said in a news release that the new plant will be completely owned by Mobil and has received approval of government authorities in Tianjin, a major port city in northern China.

Mobil will invest about 30 million dollars and plans for the plant to go into operation in 1997 producing 300,000 barrels of lubricant and 40,000 barrels of grease per year.

The company said it would be Mobil's first major investment in China, aimed at meeting a growing demand for lubricants and greases in China.

Mobil markets its products in much of China and has offices in four major Chinese cities, including Tianjin.

Naira drops to  
lowest level

LAGOS, Sept 13: The free market value of the naira dropped to its lowest level ever on Monday and dealers predicted Nigeria's political crisis would keep pushing the currency down, reports Reuter.

Black market dealers in central Lagos sold the dollar for 66 naira compared with 60 last week and 57 at the end of last month.

The dollar sold for 48 naira before a wave of strikes in July and August by workers demanding an end to military rule.

The impact on the naira was delayed while banks were on strike and local currency was in short supply. When the banks reopened three weeks ago the currency began to tumble.

The British pound now fetches 91 naira.

The official exchange rate 22 naira to the dollar has remained unchanged since January.

US inflation  
unlikely to  
rise sharply

WASHINGTON, Sept 13: A bad inflation report may have rattled Wall Street last week, but private economists still insist they see nothing on the horizon to indicate that price pressures are getting out of hand, reports AP.

"We should settle down and worry less," said Sung Won Sohn, chief economist at Norwest Corp in Minneapolis. "The inflation picture really hasn't changed that much."

Those calming words, however, may not be heeded by skittish financial markets following last Friday's government report that wholesale prices shot up 0.6 per cent in August, the biggest surge in nearly four years. The increase reflected higher prices for gasoline, food, autos and tobacco.

The ominous rise triggered a big sell-off in stocks and bonds. The slide continued Monday as investors anxiously awaited further indications of where inflation is headed.

The government was scheduled to release Tuesday its broader consumer price index, which shows price pressures at the retail level. In advance of that report, many private economists insisted the CPI would not be as worrisome, showing a rise of perhaps 0.4 per cent for August.

Michael Niemira, an economist at Mitsubishi Bank in New York, said he believed both the overall CPI number and the figure after excluding food and energy would show moderate gains of 0.3 per cent.

## India's external debt rises

BOMBAY, Sept 13: India's external debt rose marginally to 90.63 billion dollars in March 1994, the Reserve Bank of India (RBI) said in its annual report for 1993/94, says Reuter.

During 1993/94 the significant developments in the country's external transactions, enabled a consolidation of external debt, the RBI said.

The stock of external debt rose by barely 644 million dollars during 1993/94 in sharp contrast to the behaviour in late eighties, the RBI said.

The RBI said the external debt service ratio also declined to 25.1 per cent in March 1994 from 30.6 per cent a

year ago because of a 20 per cent growth in India's exports. It said a narrowing of the country's current account deficit would reduce external debt as a proportion of the GDP.

India's current account deficit for the previous year was 315 million dollars compared with 3.60 billion dollars in 1992/93 April-March.

**GDP likely to rise by 5 pc**

Another report says: India's gross domestic product (GDP) is expected to rise by 5.0 per cent during the financial year 1994/95 (April/March), the Reserve Bank of India said.

"With agriculture and indus-

try pointing towards a perceptible improvement, and the services sector growing at the relatively high trend rate, the overall real GDP growth in 1994/95 is expected to be around five per cent," the central bank said in its annual report for 1993/94.

The RBI has predicted industrial growth of around 7.0 per cent and an increase in agricultural output of 3.0 per cent during 1994/95.

India's GDP during 1993/94 rose by 3.8 per cent compared with 4.0 per cent in the previous year.

The central bank has cautioned that reforms in India's state-run companies and im-

provement in infrastructure should be speeded up to support steady and sustained growth.

It said investment in the agriculture sector should be increased and policies affecting agriculture reviewed.

"The long-term trend growth rate Indian agriculture is estimated at 2.2 per cent per annum. This need to be caused to at least 3.0 per cent, if the overall GDP growth has to be accelerated," the RBI said in its annual report.

The RBI said India should use innovative methods of financing for its infrastructure projects as the state-run companies could not meet the growing requirement of the economy.

'Arab states can gain  
if arms race goes'

KUWAIT, Sept 13: Arab states could reap big economic benefits if they dropped out of the region's spiralling arms race and instead attacked social and economic ills, financier Abdel Latif Al-Hamad said, reports Reuter.

Hamad, Chairman of the 20-year-old Arab Fund for Economic and Social Development, said in an interview he expected the Arab-Israeli peace process will no doubt contribute positively to creating an environment of stability," he said.

May be it's the end of an era of big, short, massive wars but now could be the era of social upheaval... of extremism in one form or another that will reflect inevitably on stability.

The Kuwait-based Arab fund is itself an example of how to survive instability, it moved to Bahrain during Iraq's seven month occupation without interrupting a single project.

Owned by 21 Arab governments it lends at low rates over 20 to 25 years mainly for power, water and communications projects.

Self-financing from investment and interest income the Arab fund lent 184 million dinars (167 million) 1993, a five per cent rise on 175.7 million dinars in 1992.

Energy projects received 60 per cent of all funding in 1993.

One of the fund's main projects is to create an Arab power grid to link up with Europe through Spain, Turkey and possibly Italy.

By the turn of the century we should have this well on its way to finalisation, he said.

Assuming Egypt has a lot of power and Syria needs power, than you get Egyptian power passing through the Jordanian grid.

The geography doesn't matter. It is integration second to none."

Egypt, Morocco and Syria are the three largest recipients of loans, accumulated outright grants of 70 million have gone to Palestinian development groups in the occupied territories.

Hamad says changing patterns of trade and employment show steady progress in Arab interdependence.

Demand for gold  
up in India

BOMBAY, Sept 13: The demand for gold in India rose significantly in the second quarter of the year, the World Gold Council (WGC) said Monday, reports AFP.

India's imports of the precious metal in the April-June quarter rose to 41.9 tonnes compared with 24.4 tonnes during the first quarter of the year and 26 tonnes in the last quarter of 1993, the WGC said in a statement.

It said the rise in demand in India contrasted with a drop in China and Taiwan.

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Lankan rupee  
overvalued

COLOMBO, Sep 13: Sri Lanka's External Trade Minister Gamini Lakshman Peiris said the rupee was overvalued and this was a major constraint on the economy because it made exports uncompetitive, reports Reuter.

"It is not possible to devalue the rupee immediately as it could lead to a sharp upward trend in domestic prices resulting in political dangers of an obvious kind," he said in the government's first policy statement to the business community since winning last month's general election.

"So the answer is (in the short term) to control money supply, reduce the government budget deficit and handle finances in a more efficient manner," Peiris told members of trade and industry chambers, and manufacturers and exporters associations.

His comments came in response to requests from the business community for a clear economic policy statement by the new People's Alliance government.

Peiris said the government considered the private sector as the principle engine of economic growth. "There is ample scope for collaboration between the government and the private sector," he said.



Industries Secretary, AHM Abdul Hye, visited Ghorasal Urea Fertilizer Factory on Monday. BCIC Chairman Waseq al Azad is also seen in the picture.

## Asian stock markets close higher

HONG KONG, Sept 13: Asian stock markets closed generally higher Tuesday, with both share prices and the US dollar rising in Japan, reports AP.

On the Tokyo Stock Exchange, the 225-issue Nikkei Stock Average gained 128.83 points, or 0.65 per cent, closing at 20,046.11. On Monday, the benchmark index had gained 19.40 points, or 0.10 per cent, to 19,917.28.

The Tokyo Stock Price Index of all issues listed on the first section was up 6.34 points, or 0.40 per cent, to 1,592.51. It had shed 0.43 point, or 0.03 per cent, to 1,586.17 the previous day.

Traders said the index gains came as investors, including public funds, continued to pick up underpriced issues following five straight losing sessions last week.

Meanwhile, the US dollar closed at 99.03 yen, up 0.13 yen from Monday's close, but slightly below its overnight close in New York of 99.13 yen.

In Hong Kong, share prices closed higher on bargain-hunting.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, rose 46.64 points, or 0.5 per cent, closing at 9,937.01. On Monday, the index had plunged 254 points.

Brokers said the market rose because of bargain-hunting after Monday's tumble, which was caused by fears of rising inflation in the United States.

WELLINGTON: New Zealand share prices closed lower in moderate trading as investors remained worried about mounting inflation in the United States. The NZSE-40 Capital Index fell 17.29 points to 2,093.80.

TAIPEI: Share prices closed lower for the second straight day. The market's Weighted Index fell 12.46 points to 6,955.02 after Monday's 32-point drop.

Pak rupee steady  
against dollar

KARACHI, Sept 13: The Pakistani rupee closed steady against the dollar in the kerb market with little buying interest in the US currency dealers said, reports Reuter.

The rupee closed unchanged at 31.25 to the dollar from the opening one dealer of Khanani and Kalia International (Pvt) Ltd said. The state central bank of Pakistan's rate was unchanged at 30.6500/30.8033 to the dollar.

The premium on foreign exchange bearer certificates closed at 2.50 per cent after opening at 2.40 per cent.

MANILA: Share prices closed higher in what brokers called a technical rebound after five straight days of losses. The Philippines' unified composite index of 31 selected issues rose 33.93 points to 2,953.24.

SEOUL: Share prices closed lower in active trading. The Korea composite Stock Price Index fell 0.32 points to 995.38.

SYDNEY: The Australian share market defied weakness in the US exchange overnight to close higher. The All Ordinaries Index rose 10.7 points to 2,043.6.

SINGAPORE: Share prices closed higher on bargain-hunting. The 30-share Straights Times Industrials Index rose 19.27 points to 2,299.66.

KUALA LUMPUR: Malaysian share prices closed mixed as institutional investors trimmed positions ahead of US inflation figures to be released later. The Kuala Lumpur Stock Exchange's Composite Index fell 0.61 point to 1,169.11.

BANGKOK: Thai share prices closed higher after four straight days of declines. The Stock Exchange of Thailand index rose 17.32 points to 1,507.73.

JAKARTA: The stock exchange's Composite Index fell 5.535 points, closing at 515.700.

## Prospect of uranium in Bangladesh

By Dr Badrul Imam

that geological evidences from field studies and laboratory analyses so far carried out provide sufficient evidence to suggest that there is a good possibility of finding economic uranium ore deposit in Sylhet area. This could only be possible if systematic and rigorous uranium exploration programme be launched, he added. With no economic size uranium deposit discovered so far in Bangladesh, Dr Eunuse has shown the reasons for being optimistic.

The geological field surveys of Atomic Energy Commission (AEC) detected several radiometric anomalous zones (zones of high concentration of radioactive minerals) in Sylhet and Moulvi Bazar during the period 1978 to 1985 and several reports were published on the positive signs of uranium occurrences. In 1985, the Nuclear Mineral Unit of Atomic Energy Commission was withdrawn for unknown reason halting all further exploration on uranium. With the Nuclear programme of AEC reinstated last year, the small group of exploration geologist at AEC tried to piece together various results and reports previously acquired. Dr Eunuse, who took an opportunity to carry some samples to Japan, was probably destined to make a discovery. What was missing, he explained later, was the identification of any uranium mineral in the samples from high radiometric

anomalous zones. Radiometric anomalies in rock layers are areas of great interest for nuclear minerals specially uranium, but such anomaly could also be shown by concentration of non-nuclear minerals like zircon, monazite etc which are not uranium ore minerals. So there was a question if the recorded radiometric anomalies in Sylhet and Moulvi Bazar were due to uranium or not. No laboratory in Bangladesh could positively identify uranium mineral in Bangladesh rock samples. So when the PNC laboratory analysis positively tested the Bangladesh samples as to its uranium mineral contents, it was considered a great step forward for uranium exploration in the country. The two minerals, Uranothorite (an uranium silicate mineral) and Thorianite (an uranium oxide mineral) are classed as uranium ore minerals with uranium contents of 40 per cent. In the bulk samples a concentration of 0.1 per cent uranium has been recorded — a level if sustained for an extensive area could give rise to economic grade deposit.

Meghalaya started in 1962-63 when significant radioactivity was recorded in rock samples collected from near Dauki, a small town adjacent to Bangladesh border. Further reconnaissance radiometric survey in 1964-65 and during 1971-72 had led to the discovery of several important uranium mineralization zone in the Khasia and Jaintia hills of Meghalaya district. Subsequent geologic surveys had significantly success in finding highly enriched uranium mineralization zone in specific rock units whose distribution has been mapped and worked out.

The geologic process that led to the mineralization of uranium in the rock strata just north of Bangladesh border (i.e. in the southern Meghalaya, is believed to have extended further south into Bangladesh territory.

develop.

In Meghalaya good part of the Shillong high land is composed of highly radioactive granite (known as Mylicum granite) which acts as the source of uraniumiferous solution. The solution is transported by underground water movements to the south and reprecipitated in localized zone of concentration in rock layers named Mahadeo rock unit which outcrops along the southern fringes of Shillong plateau facing Bangladesh plain. It is in this Mahadeo sandstone rock layers where enriched uranium deposits have been located in Meghalaya. Should the uraniumiferous solution moved further south into Bangladesh, the process would invariably duplicate giving rise to highly enriched uranium mineral zones. This is exactly what the Fultala rock sample has indicated. In other words, it has been proved that the required process has acted in Bangladesh area for uranium mineralization.

The Fultala sample in which the uranium minerals have been found is located near Fultala Tea Estate in the Hararganj hills of Moulvi Bazar district. The rock is composed of sandstone, brownish in colour and is loosely compacted, and belongs to the Tipam sandstone rock unit which is extended in a north-south direction along the structural trend of the

Hararganj anticlinal fold. The radiometric anomalous zone in this area is found to attain an extension of 15 metres and a thickness of three metres. This is the highest degree of radioactivity recorded so far in Bangladesh with a gamma ray count of 60 times the background value (radiometric anomaly means radioactive occurrence having at least three times the background gamma ray count).

An excellent account of the Fultala radiometric anomaly is published in the scientific paper in the Bangladesh Journal of Geology, 1991 issue wherein Mubazzul Islam Chowdhury, a senior geologist of AEC, along with co-authors has concluded that both radiometric and chemical results obtained from Fultala occurrence favour bright possibility of uranium mineralization in the area. The identification of uranium minerals in Fultala rock sample as carried out in Japanese laboratory has testified the above notion.

It appears that a case has been made whereby the favourable geological pre-conditions for the uranium mineralization in Sylhet and Moulvi Bazar have been proved beyond doubt. The commercial uranium deposit of Meghalaya situated to the north of the area also adds to the favourable significance. It is perhaps time for the geologists to launch serious uranium exploration programme to unveil the precious deposit from under the fertile soil of Bangladesh.

(The writer is Professor of Geology at Dhaka University.)



MA Hashem, Director, The City Bank Ltd, opening the Nawabpur branch of the bank on Sunday. Deen Mohammad, Saleh Ahmed Chowdhury, directors, and Mohammad Faiz, Deputy Managing Director of the bank, are also seen.

US House agrees  
to restrict  
gasoline imports

WASHINGTON, Sept 13: The House agreed Monday to restrict imports of gasoline, mainly from Venezuela, that may not meet US environmental standards, reports AP.

The House, in a 222-148 vote, went along with a Senate amendment that bars the Environmental Protection Agency from changing rules on pollutant levels so foreign refineries can sell gasoline in the United States.

The amendment, supported by both the oil industry and some environmentalist groups and mainly affecting imports from Venezuela, was attached to the Senate version of a 90 billion dollar spending bill.

The issue was left unresolved in a House-Senate conference last month that worked out the final details of the spending bill for the Veterans Affairs and Housing and Urban Development departments and several independent agencies.

The compromise bill provides 14.4 billion dollars for NASA in fiscal year 1995, including 5.6 billion dollars for human space flight activities and development of the space station.

Caracas may privatise  
loss-making firms

CARACAS (Venezuela), Sept 13: In a wide-ranging plan to boost the economy, the government will try to sell money-losing state companies, hike taxes and balance the budget, Finance Minister Julio Sosa Rodrigue said Monday, reports AP.

Speaking before several hundred business and political leaders, Sosa projected the fiscal deficit will shrink to 2.5 per cent of gross domestic product this year, and be eliminated in 1995. Inflation supposedly would be halved to about 30 per cent by then.

Privatisations of state hotels, race tracks, electric utilities, a steel mill, an aluminium plant, mines and forests may net three billion dollars during the next 15 months, he said. Increased revenue would come from luxury, income and sales taxes.

Sosa's speech at the central bank was the government's first real outline of its economic policy since President Rafael Caldera took office last February 2. It was broadcast live nationwide.

The approach seems decidedly free-market. Until now, Caldera — a one-time populist who was president from 1969-74 — had seemed to prefer state intervention in the country's economy.

He imposed foreign exchange controls last June; maintained price controls on food and medicine; and suspended constitutional liberties including the right to do business and own private property.

No state company has been privatised since he took office. The planned sale of the airline Aeropostal failed last May because potential buyers decided the 62 million dollars price tag was too high, perhaps intentionally so.

Caldera backers say he had to concentrate on more pressing matters. The economy already was in recession, and then the banking system nearly collapsed. If the government had not taken over eight of the top 20 banks, they might have failed altogether.

Seiko to sell  
watch pagers  
worldwide

TOKYO, Sept 13: Japanese watchmaker Seiko Corp announced Monday plans to start selling watches fitted with paging devices in the United States, Europe and China as part of a worldwide information network, reports AFP.

Yoshiyuki Narahashi, President of Seiko Communication BV, a recently established subsidiary in the Netherlands, said Seiko planned to acquire from FM radio station frequencies not used in normal broadcasts.

The purchase of such unused frequencies, accounting for about 50 per cent of FM bands could emerge as an important source of revenue for radio stations with little advertising revenues.

Seiko hopes to avoid making the sort of large-scale investment which Motorola Inc of the United States is making in its indium satellite system.

In the United States Seiko intends to spend up to 25 million dollars to promote the pagers which can supply stock prices and weather reports in addition to passing on regular messages.