

DHAKA, MONDAY, OCTOBER 17, 1994

Depressing trend persists in country's tea auctions

From Nurul Alam

CHITTAGONG, Oct. 16: Compared with previous year, a depressed trading persists in the tea auctions of current season as export markets of Bangladesh tea almost shrank, brokers and officials said.

Though in the previous season, regained its position from post Soviet debacle, Bangladesh tea entered into a fresh setback this season leading to a fall in exports as well as in prices, they said.

They attributed such deterioration in Bangladesh tea trade to availability of surplus tea and lower prices in other auction markets of the world—particularly Sri Lanka, Kenya and South India.

According to official reports, in the first three months of current fiscal year (July to September/94-95) Bangladesh exported only five million kgs of tea, down from seven million kgs exported in the corresponding period of 93-94 fiscal year.

Besides, country's tea exports dropped by about six million kgs in 93-94 fiscal year compared with the previous

fiscal year. Official reports said, in 93-94 Bangladesh exported 27.11 million kgs down from 33.08 million kgs exported in 92-93 fiscal year.

This season which began from the ending part of April/94, marked a sharp decline in prices forcing the growers to sell their tea below cost of production in most of the 23 tea auctions held here so far out of total 45, auction officials said. The average cost of production stands at Taka 45 per kg.

But in the 23rd auction held here last week the per kg average price fell to Taka 38.69 with an overall withdrawal of 35 per cent while in the previous season, the average price recorded at Taka 49 to 50 per kg, auction sources said adding that from the beginning of the current season prices of tea continued to slide down.

Talking to this correspondent, a chief executive of a leading broker house said "our tea trade is now full of uncertainty as the auction

markets here is very bad due to poor participation from foreign buyers."

"Most of the traditional buyers of Bangladesh tea have diverted their attention to Kenya and other markets to avail cheaper priced tea", he added also saying that "our internal market is also disturbed due to some local problems like frequent strikes."

"Another director of a broker house commented "chance of improvement of our tea trade is still not in sight."

The officials of state-owned Bangladesh Tea Board said "we are now planning to send high-powered delegations by the end this month to CIS countries, Poland, Pakistan and Iran for expansion and recapitulating of our export markets of tea."

The officials informed that at the invitation of tea board a three-member team from Iran's state tea organisation was expected to arrive in Bangladesh soon to discuss tea trade.

Biman adhering to int'l safety standards, says US team

Federal Aviation Administration (FAA) of the United States conducting a worldwide safety survey of the 93 countries that have commercial airline service to the United States found Bangladesh strictly adhering to international safety standards, reports BSS.

FAA has already completed assessment of 30 countries including Bangladesh, a Biman press release said. The worldwide survey, first of its kind, is being conducted by a four-member FAA team. The survey team makes an assessment on whether the country being assessed has a civil aviation authority and whether it has the expertise and willingness to enforce ICAO safety standards.

The FAA officials has cited Bangladesh (Bangladesh Biman and CAAB) as a prime example among the countries which have been taking advantage of their inspections to improve flight safety. The officials also categorically mentioned Bangladesh hiring additional expert staff to oversee flight safety.

Of the 30 countries so far assessed by the FAA, nine did not meet international safety standards. Seventeen including Bangladesh are adhering to international flight safety standards and four have been given conditional acceptance ratings allowing them to fly into the United States under heightened FAA inspections.

Apex Tannery approves 25 pc dividend

The 18th Annual General Meeting (AGM) of Apex Tannery Limited (ATL) was held Saturday at a local hotel. Syed Manzur Elahi, Chairman of ATL presided over the meeting, says a release.

The AGM approved 25 per cent dividend for the year 93-94. This was consecutive fourth year that the company have paid such a high rate of dividend of 25 pc. The AGM also approved the audited accounts for the same period.

Turnover during the year under review rose to Tk. 96.52 crores from Tk. 87.91 crores of the previous year. Pre-tax profit increased by 44.42 per cent. It moved to Tk. 5.85 crores from Tk. 4.05 crores of the previous year.

In terms of turnover in trading among the listed issues of Dhaka Stock Exchange, Apex Tannery Limited occupied sixth place during the year 93-94. Its contribution to the market capitalisation of all listed companies amounts 2.4 per cent.

Apex Tannery Limited is a blue chip company and its shares have always been at premium ever since its listing with Dhaka Stock Exchange in 1985.

Bangladesh's Grameen Bank: Loans lift women from poverty

By Rick Marshall

WASHINGTON, Oct. 16: Grameen Bank's success in helping rural Bangladeshi women pull themselves out of poverty has demonstrated that the poor are not poor credit risks, bank founder Muhammad Yunus said in an interview.

Grameen's loan repayment rate is "over 98 per cent," Yunus said, and its bad debt "is less than half a per cent." Figures which compare favourably with any successful bank. Yet the vast majority of banks continue to discriminate against the poor, he says. They "are not looking at the people."

Yunus, a man President Clinton once said "should be given the Nobel Prize," is here in Washington to receive the 200,000 US dollars World Food Prize. The prize is given annually to "individuals who have advanced human development by improving the quality, quantity and availability of food in the world," according to the John Ruan Foundation, the prize's sponsor.

After earning his PhD from Vanderbilt University in Tennessee in 1970, Yunus began teaching economics at Chittagong University. During Bangladesh's famine of 1974, he visited the nearby village of Jubra. There he was struck by the "emptiness" of the theories he had been teaching. They "had no meaning in the lives of the people."

After observing how local traders and loan sharks kept much of the village trapped in poverty, Yunus reached into his own pocket and lent some 30 dollars to be split among 42 people. "I felt great shame," he said, "to be part of a society which could not supply such tiny sums to its people."

When that micro-loan proved a success, Yunus made the rounds of the local banks trying to find institutional help for Jubra's poor. But everywhere bankers told him the same thing: "It was a crazy idea." Finally however, he found one which agreed to lend the villagers money, providing he act as guarantor. Grameen's first loan was

made in December, 1976. It was for approximately 250 US dollars and 15 people. There were no written contracts. Yunus' understanding with the borrowers was entirely verbal.

What fascinated the economist was people kept paying him back. Even after he expanded it, the programme "worked beautifully." His loan recovery rate was near 100 per cent. However, "the bank remained as skeptical as ever."

Yunus believes the reasons for Grameen's success is simple. People "had great use for that money — they wanted to

are women. The reason, Yunus says, is that women pay more attention to their children and they are very skillful managers of their household resources.

According to Yunus the children of Grameen borrowers have a caloric intake which exceeds the national average, while infant mortality is lower and family planning practices are twice as high as in the rest of the nation.

Although not originally part of the bank's mandate, women's emancipation from poverty and the improvement in the health of their children closely follows their participation in Grameen's unique group system.

Borrowers now form five-member teams which meet every week to make their payments and discuss issues in common, Yunus explains.

Each group elects its own leaders and acts as a loan committee and guarantor. Any new loans must be approved by the group and then by a larger "center," which can combine up to 10 like-minded groups.

The leadership of the groups and centres is constantly changing.

No officer can succeed him or herself in office. "We encourage everyone to have a chance," Yunus says.

Each borrower is entitled to own shares in Grameen, as well. Today, 92 per cent of the bank's capital is owned by the shareholders, the government of Bangladesh owns the rest. The bulk of Grameen's officers are elected by the shareholders. Last year the bank turned a profit of 193 million US dollars, according to the John Ruan Foundation.

It too some time before Grameen's success was noticed by the West. In 1986, however, Bill Clinton, then Governor of Arkansas, invited Yunus for a visit. The result was the Good Faith Fund.

There are now about 200 small development banks and organizations in the United States which derive in one way or another from Grameen's experiences. Others are emerging in Canada.

In a speech he gave in Sri Lanka several months ago, Yunus explained why he thinks poverty will someday be defeated. "Charity does not improve anybody's life. Hand-outs only take away a person's dignity. But a loan is a challenge to a human being... We need to change our financial institutions. We must bring them face-to-face to reality. If you can make their reach universal, to do business with everybody, then probably we will have a world which will be free — completely free from poverty. That is a dream we can all share."

(The author is a USIA staff writer)



Ghaith Al Ghaith



Mohammed Al Shafar

Emirates appoints 2 new managers

In a move to capitalise on areas of potential growth, Emirates, the international airline of the UAE, has appointed two of its managers, both UAE nationals, to new areas of responsibility which include, for the first time, the countries of the CIS, says a press release.

Ghaith Al Ghaith, who joined the staff of Emirates in 1986, a few months after the airline was launched, has been appointed Senior General Manager Commercial Operations, Middle East, Africa and the CIS.

Mohammed Al Shafar, who also joined Emirates at the start of operations, becomes General Manager Commercial Operations, Middle East, Africa and the CIS. Both appointments are effective from October 1.

Announcing the new appointments, Tim Clark, Emirates Commercial Director, said: "These new positions reflect the increasing interest of Emirates in both Africa and the CIS countries."

Khaled Al Kanada, currently Senior General Manager (Commercial Operations) Gulf, Middle East and Africa, has been selected for advanced management training at Cranfield University in the UK, following which he will move to a more senior position in the company.

Both Ghaith Al Ghaith and Mohammed Al Shafar graduated in business management from American universities: Ghaith from the University of Arizona in Tucson and Mohammed from the University of Southern Colorado.

Ghaith began his career with Emirates in the sales department immediately after returning to Dubai. He then became Deputy Sales Manager, and then Deputy Development Marketing Manager with responsibility for all destinations, particularly offline stations.



Members of the Russian business delegation seen discussing trade potentials with the chairman of IFIC Bank Ltd in the city yesterday.

Bangladesh wins MIF award

Bangladesh has won the Merit Award in the seventh Malaysia International Fair, the Export Promotion Bureau said yesterday, reports UNB.

The MIF '94, organised by the Federation of Malaysian Manufacturers under the sponsorship of the Ministry of International Trade and Industry of Malaysia, concluded on October 9.

A total of 220 companies from 19 countries participated in the fair, held at the Putra World Trade Centre (PWTC).

EPB represented Bangladesh with 12 companies.

Dhaka-Moscow trade potentials discussed

Bangladesh and Russia have discussed trade potentials between the two friendly countries, says a press release.

The discussions were held when the leader of the delegation, Valentin A Alexandrov who is also the Deputy Chairman of the Russian Federation committee for machine building industries, called on the Chairman of IFIC Bank Limited, A M Agha Yusuf, at the bank's head office in the city yesterday.

During the meeting, they discussed matters of mutual interest.

The delegation members

included Alexander Yu. Stepanov, First Vice President, Power Engineering Corporation, and Victor S Shevchenko, General Director, Corresponding Member, Engineering Academy, St. Petersburg.

The delegation was accompanied by Shevchenko, Russian Ambassador in Bangladesh and Oleg A Malnikov, Attaché, Embassy of the Russian Federation in Bangladesh.

IFIC Bank Limited was represented by Syed Mohsen Ali, Vice Chairman, A H M Shawkat Ali Chowdhury, Managing Director and Shawkat Ali, Executive Vice President.

Commodity markets: Prices of precious metals, tea fall

LONDON, Oct. 16: A jump in oil prices to over 17 dollars a barrel early in the week on tension in the Gulf region was short-lived as prices slipped back over a dollar on increasingly remote prospects of a Baghdad attack on Kuwait, reports AFP.

Precious metals also fell as investment funds withdrew from the market, as dealers were less fearful of inflationary pressures in the United States, and the subsequent likelihood of a rise in interest rates.

Aluminium soared to a closing high since November 1990 as the metal continued to show massive drawdowns in stocks. Elsewhere, the London Metal Exchange (LME) was quiet with little change in the base metals.

Coffee prices stabilised, after falling last week, as humid weather hit the drought-ridden Brazilian plantations.

Cocoa remained stable while the vegetable oils and grains rose.

GOLD: Slump. Gold dropped to its lowest level since early September, at 386.9 dollars per ounce, after investment funds abandoned precious metals for the stock exchanges.

After weakness in recent weeks, European stock exchanges this week gathered strength as economic statistics eroded inflationary fears in Britain and the United States.

Lower than expected US September producer prices on Thursday soothed market worries about inflationary pressures and reduced the immediate chances of a hike in US interest rates.

SILVER: Decline. Silver slipped to 5.5 dollars per ounce, slipping in the wake of

gold and also as investors withdrew, dealers said silver had been the precious metal the worst hit by speculative withdrawal as it has the least encouraging prospects.

PLATINUM: Lower. Platinum fell lower this week, although prices remained at a reasonable level around 415 dollars per tonne. A fall in the yen at the beginning of the week briefly affected the metal, which is particularly popular on the Tokyo market.

COPPER: Lower. Copper declined steadily on the London Metal Exchange (LME) during the week, closing around 30 dollars lower at 2,490 dollars per tonne as speculative interest focused on aluminium.

The London metals week annual jamboree for dealers from around the world generally focused attention on the metals markets.

Will Adams, analyst at Rudolf Wolff, said robust demand spreading to Europe and Japan during 1995 should underpin the base metals complex, with the market expected to underestimate the impact of global economic growth and recovery.

LEAD: Unchanged. Lead moved half a dollar higher at 646.5 dollars per tonne in a market with little news.

Adams predicted strengthening demand as Europe and Japan start to experience more widespread recovery, with a supply deficit and stock down of 178,000 tonnes in 1995.

Stocks fell 975 tonnes to 367,775.

ZINC: Declining. Zinc fell two dollars during the week to 1,066 dollars per tonne, again in a market lacking news.

Adams said zinc was basi-

cally underpinned by a fall in concentrate stocks with a resultant fall in smelter operating levels. This coincided with more widespread economic growth, he said.

Weekly stocks on the LME fell 2,150 tonnes to 1,235,100.

ALUMINIUM: Soaring. Aluminium jumped 26 dollars to 1,672 dollars per tonne — a closing high since November 1990 — on continued drawdowns in stocks and as prospects looked encouraging, dealers said.

The International Primary Aluminium Institute (IPAI) reported western world stocks of aluminium in all forms had fallen by 33,000 tonnes in August to 3,581 million tonnes from a revised 3,614 million in July.

Elsewhere, Nick Moore of ORD Minnett suggested that aluminium was likely to perform better than any other LME metal during the rest of the decade.

Supply would be constrained in 1995 but there would be "a mighty turnaround in 1996," with up to 1.2 million tonnes of capacity being added in that year, he said.

European Aluminium Association Chairman Fokko Van Duyn said world supply and demand for aluminium was gradually moving towards a more balanced position, despite remaining high stock levels.

NICKEL: Down. Nickel slipped 60 dollars during the week to 6,690 dollars per tonne.

Canadian producer Inco said it had discovered a new high grade nickel deposit in Thompson, Manitoba which should contain around 93,000

tonnes of nickel.

GNI broker said that technically, nickel still looks strong, with world steel output expected to recover sharply in 1995.

Stocks rose 420 tonnes to a record 146,772 tonnes.

TIN: Unchanged. Tin, like most of the other metals moved little during the week, ending unchanged at 5,445 dollars per tonne.

Adams said Chinese exports continued to damp market sentiment, and that the general outlook is discouraging without strong improvement in demand.

Stocks fell 545 tonnes to 31,640.

COCOA: Lower. Prices remained at a low level, around 970 dollars per tonne.

Prices varied little after news that industrial consumption had dropped in Germany and the Netherlands, as dealers had anticipated the figures.

German consumption dropped 8.5 per cent in the third quarter compared with the same period a year earlier, while production in the Netherlands dropped by 0.7 per cent over the same period.

COFFEE: Stable. After slumping the previous week on drought in Brazil, prices stabilised at 3,500 to 3,600 dollars per tonne.

The humid weather provided some relief for the market although the fear of damage to crops by a lack of rainfall has not entirely disappeared.

This year, rain has been too sparse to guarantee that the crops flower correctly and hence grow coffee buds.

SUGAR: Lower. Then higher. Sugar prices dipped six dollars to 324 dollars per tonne on Tuesday after a large

delivery of Colombian sugar on the market and a fall in the rouble.

Dealers believe that with a weaker currency, Russia can no longer afford to indulge in large-scale sugar buying.

Prices rose to around 329 dollars per tonne at the end of the week, despite an evident lack of buyers.

VEGETABLE OILS: Higher. The price of vegetable oils rose on the Rotterdam market, particularly soy oil, which lifted on the prospects of sales in the United States.

Dealers said Brazil could buy up to 100,000 tonnes of US soy oil, and the US Department of Agriculture (USDA) announced the sale of 162,000 tonnes to Taiwan.

Crude oil fluctuation. Brent crude North Sea oil rose to 17.25 dollars per barrel at the beginning of the week on worries that Iraqi troops near the Kuwaiti border were on the point of invading the country.

Dealers feared that Kuwait's oil production, at two million barrels a day OPEC's sixth-largest output, would be affected.

Prices then dropped below 17 dollars a barrel as tensions in the area eased with the departure of US, British and French troops to the Gulf, and as it became evident that Iraq was likely to back down.

RUBBER: Prices rose to around 950 pounds per tonne on speculative buying in Japan and dealers expected them to remain at high levels in the coming weeks.

In Geneva, "difficult" discussions between producer and consumer countries are taking place in an effort to formulate a new international agreement to stabilise the

world rubber market.

After the recent high prices, producers have proposed an increase in the levels at which stocks regulators intervene to stabilise prices. The ball is now in the consumers' court.

GRAINS: Declining. The price of wheat on the London futures market fell one pound to around 103 pounds per tonne, after weak demand in Europe.

Trading between the countries of the European Union was minimal, causing prices to drop, but rumours of European buying by Algeria and Egypt lifted prices at the end of the week.

The market also fell in the wake of stronger than expected stocks figures for 1994-1995 (July to June) from the US Department of Agriculture (USDA).

TEA: Lower. The price of tea in the weekly auction here fell on lower demand, with only top-quality Assam tea from India remaining above 200 pence per kilo, medium and lower quality grades fell respectively to around 115 and 88 pence.

COTTON: Stable. Prices remained stable at around 0.73 dollars per pound despite fluctuations on the US futures market.

The USDA predicted that the US cotton harvest would reach a record 19.3 million bales (of 217.7 kg each).

WOOL: Stable. After falling for several weeks in technical trading, prices lifted slightly to around 4.36 pounds per kilo as buyers from Europe, Japan and China moved back into the market.

Titas Gas Transmission & Distribution Co. Ltd., Dhaka
(A Subsidiary Company of Petrobangla)

Corrigendum Notice

Sub: Invitation for Bids (IFB) for Procurement of Gas Pipeline Materials & Equipments under Cash Foreign Exchange.

In the above-mentioned International Tender Notice published on 15/10/94 in "The Daily Star" and the "Bangladesh Observer", the commencing date for sale of Tender Documents was erroneously shown as "19th Nov '94" which is to be correctly read as "19th Oct '94".
Inconveniences regretted.

পাছ লাপান পাহের পরিচয় করুন
এবং পরিবেশ বাচান—প্রধান মন্ত্রী

Titas/PR-46/94-95
D-1053 — Deputy General Manager (Purchase)

**Directorate General
Defence Purchase**
Ministry of Defence
New Airport Road
Tejgaon, Dhaka-1215

Tender Notice

1. Sealed tender in local currency are invited from benefactor Manufacturers/Dealers/Suppliers/Indentors (Enlistment with this Directorate General is not necessary) for supply of following items for "ARMY":
a. Picket Angle 2' Long Qty 8000
b. Picket Angle 6' Long Qty 3000

2. Tender schedule with detail specifications will be available on payment of Taka. 40/- (Not refundable) from 25-10-1994 to 20-11-94 on any working day between 0800 hours to 1200 Noon. The tender will be opened on 21-11-1994 at 1000 hours in presence of all tenderers (if any).

ISPR (Misc)/94/1855 Lt Col
DFP-6974-10/10 for Director General
G-1598