

DHAKA MONDAY, NOVEMBER 21, 1994

# BSCIC Electronics Complex may start functioning from Jan, '95

By Staff Correspondent

The Electronics Complex, set up by the Bangladesh Small and Cottage Industries Corporation (BSCIC) at Mirpur, is likely to start functioning from January '95.

Sources in the BSCIC said, about 20 industrial units are expected to be set up in the 7 storeyed building with total 40,000 square feet space for rent.

Describing it as the only industrial building in the country, the sources said the building has been built to meet almost all possible needs of the prospective industries to be set up there.

According to the sources, the main facilities, offered by the complex, are standby generator sub-station, two heavy duty passenger lifts, two heavy duty goods lifts, underground parking lot, show room and display centre, information centre, common workshop facility, training centre, consultancy from BSCIC and other standard industrial safety.

"We have completed all things and now are waiting for entrepreneurs both local and foreign to set up industries there", a high ranking official of the BSCIC told The Daily Star.

Situated on the side of a very wide thoroughfare of Dhaka city near the number ten crossing in Mirpur, the complex presents a very elegant look from all sides to attract the dwellers around it, he said.

The total cost to set up the complex has been estimated at about Tk 9 crore, the source added.

He said, the complex will attract the software industries, mostly for its exquisite beauty, clean and ideal location. The complex will provide reasonable space to the entrepreneurs to put their products as exhibits in the common display centre. The EPZ facilities may be extended for joint venture/export oriented industries in the complex, he mentioned.

The common information centre will be set up on the first floor of the building and will supply useful information regarding electronics and electrical industries to the entrepreneurs.

The BSCIC will also set up an office on the first floor to serve the prospective entrepreneurs with support services such as project appraisal information on new and profitable venture areas.

Letters, inviting foreign investment in the newly set up electronics complex, were sent to our 25 embassies abroad. "If entrepreneurs respond adequately we may expect approximately Tk 5 crore investment in the complex and more than 4 hundred people will get jobs, the sources told this correspondent.



## ELECTRONICS COMPLEX IN BANGLADESH



### ATAB team meets Biswas

President Abdur Rahman Biswas said that government would do everything possible for tourism development in the country, reports UNB.

President Biswas was talking to a 14-member delegation of the newly-elected office-bearers of the Association of Travel Agents of Bangladesh (ATAB) who called on him at Bangabhaban yesterday.

He said that development of tourism is must for us to earn more foreign exchange from that source.

"We have a great potential for development of tourism and we must explore and exploit that potential to the fullest extent," he added.

### JB MD leaves for Australia

Jalilur Rahman Chowdhury, Managing Director of Janata Bank left Dhaka for Australia on Saturday to attend the third Asia Pacific regional workshop on banking with the poor to be held in Brisbane from November 21 to 25.

The workshop is sponsored by UNDP, AIDAB and the Foundation for Development Cooperation, says a press release.

### Business law reform appears uncertain

Reform of the business laws, a crucial component of the country's economic restructuring agenda, seems to have stagnated as the much-talked Law Reforms Commission is yet to come into being, reports UNB.

According to official sources, the proposed Law Reforms Commission, although approved by the cabinet, is yet to take shape as its members have not yet been appointed.

The authorities were facing difficulties in selecting and nominating suitable members for the commission, they said.

More so as the government now suffers from indecision as to whether the proposed commission would at all be entrusted with addressing the business laws — a major concern of the private sector.

The Task Force on Legal Reforms, constituted in 1993, is learnt to have so far held only one meeting.

Archaic business laws are often cited by entrepreneurs, both local and foreign, as a formidable barrier before investors' confidence to grow.

The issue was strongly criticised by the World Bank in a recent review of the progress in economic reforms.

Although a new Companies Act has recently been passed, it is yet to be gazetted while the drafts of the Bankruptcy Law and Anti-trust Law are still awaiting review by the government.

### DESA, Swedish co sign \$15m project agreement

By Staff Correspondent

The Dhaka Electric Supply Authority (DESA) yesterday signed an agreement with the ABB Network Control AB of Vasteras, Sweden on a 15 million US dollar project for installing a system for central control of the electrical power network in Dhaka.

Nepal Chandra Chowdhury, Project Director of DESA and ABB Network Controls manager, marketing and sales, Thomas A Larsson, signed the agreement in the city.

With the implementation of this project, the third phase of the Greater Dhaka Power Distribution System would be completed, DESA officials told The Daily Star.

This Tk 60 crore project comprises setting up of a computer based distribution control centre (DCC) in Dhaka, intelligent remote terminals in some 70 sub-stations throughout Dhaka and an extensive wireless communications system inter linking the sub-stations and the DCC.

The communications system will be supplied by the IVO of Helsinki, Finland.

The Asian Development Bank (ADB) financed project aims to improve the electrical infrastructure of the city.

The new distribution con-

trol centre will supervise some 70 transformer sub-stations throughout Dhaka. The central control facility will allow DESA to improve the service level of electricity supply. It would also help reduce system losses in the distribution network.

DESA's new control centre is based on ABB's SPIDER system which comprises of graphical operator workstations, a powerful computer system and an extensive data acquisition capacity. The data acquisition system utilises intelligent remote terminal units, ultra-high frequency (UHF) and microwave radio to communicate nearly 10,000 data points from the distribution control centre to the electrical network.

DESA officials say, this project would also help transfer of technology in the power distribution system. ABB would also provide training facilities for the DESA engineers and the engineers will participate in the production and data engineering of the system.

The new system will be in operation by 1997.

The Dhaka power distribution System phase three was conceived in 1987 and its project proforma (PP) was approved in February 12, 1991.

### BSB sanctions Tk 24.84 cr for five projects

Bangladesh Shilpa Bank has sanctioned Tk 24.84 crore in local currency for five projects, including four new industrial ventures, reports UNB.

The sanctions were made at the 223rd meeting of the BSB Board of Directors held on Saturday with its Chairman A T M Alamgir MP in the chair.

The sanctioned projects include export-oriented knit fabric and garments manufacturing units, export-oriented knit fabrics, and ready-made sweater and costume jewellery projects.

Besides, the bank raised the sanctioned loan by Tk 32.42 crore for a proposed export-oriented Terry Towel project at Kaliakoir in Gazipur.

On completion of the projects, some 1,126 people will be employed and are expected to contribute Tk 21.90 crore at a time to the country's gross domestic product (GDP).

### Garments quota distribution move resented

A garment factory owner resented government's "discriminatory" quota distribution move, saying it will endanger the existence of the nascent industry, reports UNB.

"The existence of the garments factories will be at stake if the government distributes quota discriminately in the middle of the year," said Kamal Ahmed Majumder, Chairman of the Best Dents Group of Industries.

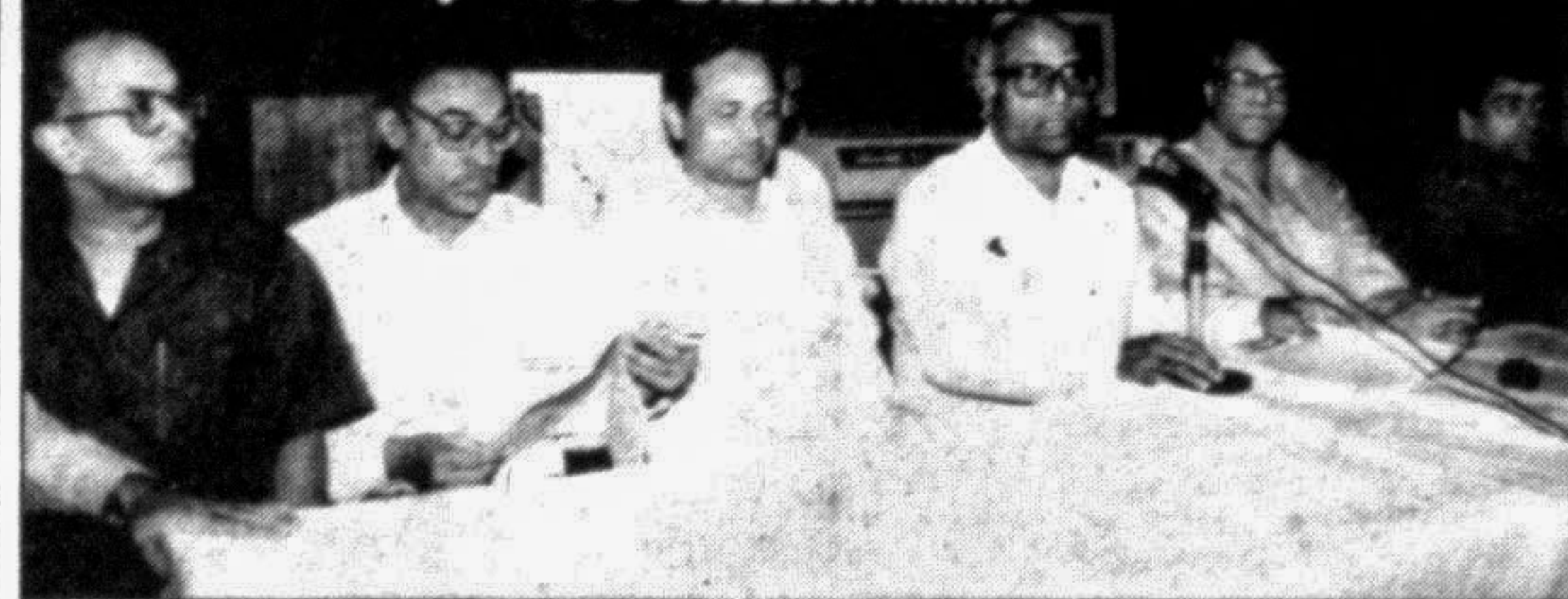
Addressing a press conference at a local hotel on Saturday, he advocated announcement of quota for the garment units at the beginning of a year so that the exporters can conform to their export orders.

"The Commerce Ministry and the Export Promotion Bureau are following a 'wrong quota policy' Kamal Majumder alleged without elaborating.

He also alleged that a section of office-bearers of BGMEA, the association of garment manufacturers and exporters, is involved in 'quota business'.

The owner also expressed dissatisfaction over the distribution of free quotas by cutting out performance quotas.

### ON THE OCCASION OF MARKET CAPITALISATION CROSSING US\$ 1.00 BILLION MARK



The Chairman of the Dhaka Stock Exchange Khurshid Alam addressing a press conference at the DSE building in the city yesterday. Other DSE council members are also seen. — Star photo

### DSE chief hopes Foreign investment to rise to \$250m by year end

The country's stock-market seems to have ignored current political uncertainties as the capitalisation of the listed companies at the Dhaka Stock Exchange surged into a record 1 billion US dollars Saturday, reports UNB.

DSE Chairman Khurshid Alam made the disclosure at a press briefing here yesterday evening. A dozen senior council members were present.

The figure was 746 million dollar a year back.

Alam strongly pleaded for immediate opening up of telecommunication and energy sectors for private and foreign investment to keep up the bullish trend in the market.

In such a development, he said, the market capitalisation might rise to US dollar 3-5 billion by 1995.

According to the DSE chairman, foreign investors, who are increasingly taking interest in Bangladesh capital market, were being discouraged by short supply of issues. "They are not getting adequate issues," he said.

DSE has so far drawn some 50 foreign investors who put

an estimated 160 million US dollars in stocks and share till October. The DSE chairman expects that the foreign investment would rise to 250 million dollar by the end of this year.

Alam told a questioner that the stock market was yet to feel any crunch because of the staggering political impasse. "We have not yet noticed any adverse effect on the investors, we can't say of the future."

Listed securities at the DSE stand at 166, including 153 companies, six mutual funds and seven debentures. Of them, 21 companies were listed between January and October this year.

### China's annual inflation rate rises in Oct

BEIJING, Nov 20: China's annual inflation rate stood at 27.7 per cent in October, up 0.3 percentage points from the previous month's year-on-year rate, the State Statistics Bureau reported, says AFP.

### Children's park to be set up at Agrabad

CHITTAGONG, Nov 20: A lavish children's park at a cost of Tk 6 crore will be set up at Agrabad, in the country's port city under a joint venture project in the private sector with India, reports UNB.

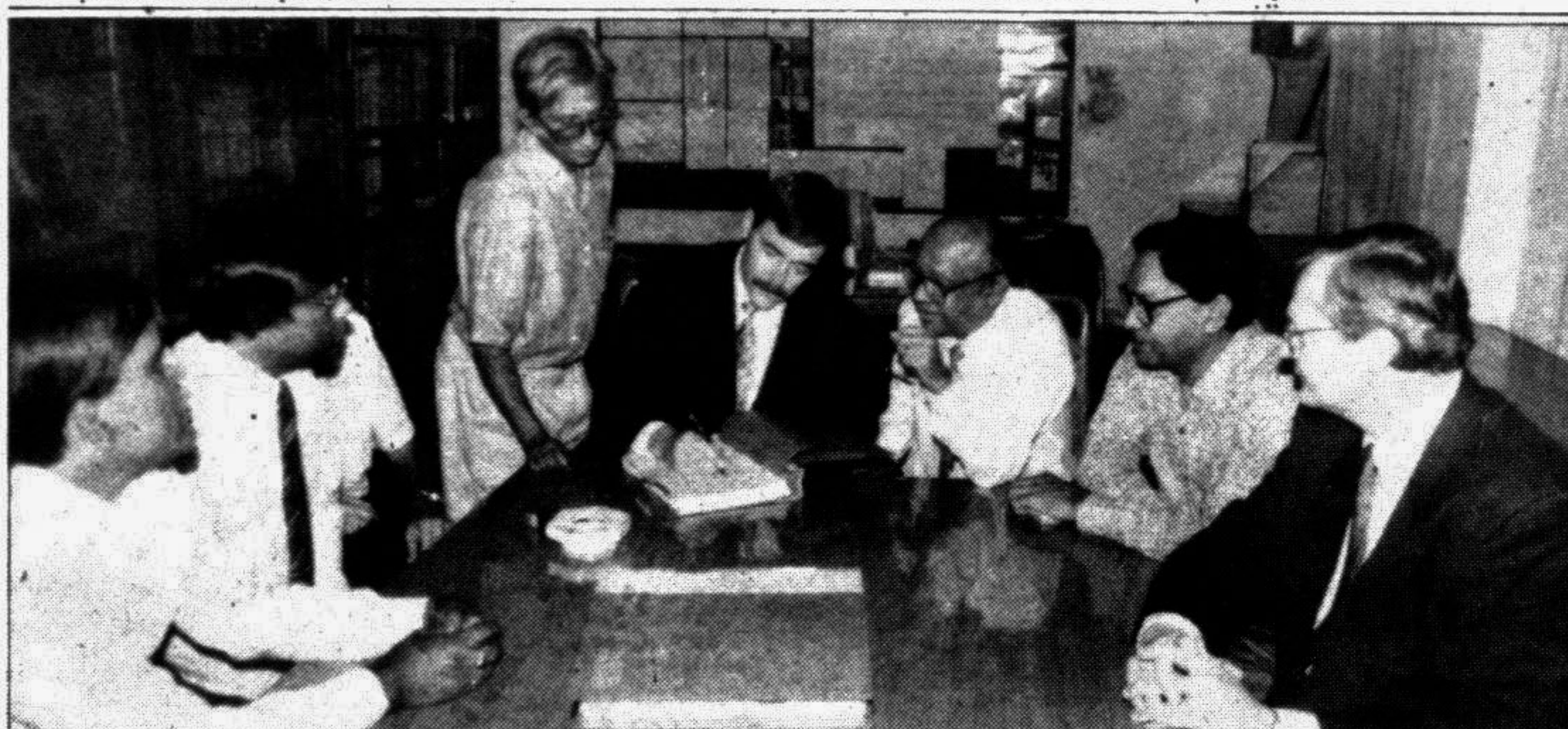
An agreement with this effect was signed here today between Nicco Parks and Resorts Limited of India and Bangladesh Nitel Motors Ltd, an industrial group in the private sector.

The new park "Nocco-Nitel Park" is expected to be completed within the next 12 months. Twelve rides and several attractions are planned for the park with a capacity for more than 19,000 visitors per day, said a press release.

The park will consolidate the cultural and commercial ties between Bangladesh and India, said R Dayal, a carpenter of Nicco Parks and Resort Ltd.

Chairman of the Nitel Motors Ltd Abdul Matlub Ahmad said the joint venture project intends to issue public shares of Tk about 30 million in the first week of next month.

Mayor of Chittagong ABM Mohiuddin Chowdhury unveiled the plaque of the park Friday last.



Thomas A Larsson (C) of ABB Network Control AB and Nepal Chandra Chowdhury (3rd-R), Project Director of DESA signed a contract on a power project on behalf of their respective sides in the city yesterday. Also seen in the picture are DESA and ABB officials. — Star photo

## Commodity markets: Prices of precious, base metals rise while oil, tea fall

LONDON, Nov 20: Gold outwitted the markets this week, rising against all logic, in the wake of a sharp increase in US interest rates and as the dollar went up, reports AFP.

Analysts could merely suggest that the market had interpreted the higher-than-expected jump in rates as a sign that inflation was already strong in the United States, a condition generally favourable to the precious metals.

Elsewhere, the base metals again soared to new record highs on the London Metal Exchange, with copper lifting to a four-year high and the rest of the metals following.

Oil, however, was weaker on lower demand and a rise in stocks in consumer countries. Sugar and vegetable oils rose sharply on a cut in production.

**Gold:** Higher. Gold jumped around 385.5 dollars per ounce despite a sharp rise in US interest rates on Tuesday.

Analysts had predicted that a rise in US rates, to limit inflationary pressures, would push the dollar up, therefore weakening the precious metals.

Dealers at GNI said the only explanation for the rise in gold was that the market had interpreted the higher-than-expected interest rate hike as

meaning the economy was already suffering from strong inflation — a condition which traditionally sees gold rise as a "safe haven" investment.

**SILVER:** Rising. Silver rose a few cents to 5.25 dollars per ounce, lifting in the wake of gold.

One dealer for Lehman Brothers estimated that prices will rise to an average of 5.5 dollars per ounce in 1995 on speculation, compared with 5.3 dollars per ounce this year.

**PLATINUM:** Firm. Platinum lifted five dollars to around 415 dollars per ounce, again in the wake of gold, and on an optimistic report from British mining group Johnson Matthey.

The report predicted that in the coming six months, platinum would not fall below 400 dollars per ounce and would not rise above 450 dollars.

**COPPER:** Soaring. Copper surged almost 200 dollars during the week to a new high since September 1990, at 2,855 dollars per tonne on Thursday, on firm fundamentals and speculative fund buying.

"These markets have just gone wild — and given the heavy volume we have seen, it has to be fund-led," said Angus Macmillan, analyst at Billiton Metals.

"Copper's taken over, and is the only thing people are interested in at the moment," said another dealer, adding that fund buying had been particularly strong earlier in the week ahead of expiry of the November contract on Tuesday.

**LEAD:** Higher. Lead lifted in the wake of copper, rising around 15 dollars to 700 dollars per tonne — a high since November 1990, as speculative funds poured into the market.

Elsewhere, there was no new information on the market.

Stocks on the LME fell 5,600 to 361,625.

**ZINC:** Rising. Zinc lifted around 40 dollars to 1,212 dollars per tonne — a closing high since October 1992, again rising on the back of copper.

Dealers said zinc premiums in the US seen set to leap by up to two cents a pound during the first quarter of 1995 as supply becomes tighter and demand remains strong.

The traders said lack of US government stockpile sales until at least April 1995, very low levels of zinc stocks in US LME warehouses, difficulties in securing truck freight, effects of winter weather, and strong demand would combine to push up premiums. Stocks on the LME dipped

3,125 tonnes to 1,212,125.

**ALUMINIUM:** Higher. Aluminium followed the market trend higher, rising 80 dollars to 1,935 dollars per tonne — a high since September 1990, as the fundamentals remained firm.

Dealers at GNI reported that higher prices are causing a rethink at Indian aluminium, potentially allowing the company to restart its Belgium Plant at a rate of 15,000 tonnes per year, with a possible increase to 60,000 tonnes per year over the next five years.

**NICKEL:** Higher. Nickel rose around 250 dollars to 7,830 dollars per tonne — a closing high since February 1992.

"There has been indiscriminate buying by the funds because the metals are supposed to be an attractive investment," said Jim Lennon, analyst at Macquarie Equities.

Lead, nickel, tin and zinc stocks are all 20 per cent higher and nickel stock are close to their record, he added.

Stocks on the LME fell 66 tonnes to 150,432.

**TIN:** Firm. Tin rose around 110 dollars to 6,350 dollars per tonne, in the wake of the complex, with traders predicting further rises, possibly to around

7,000 dollars per tonne before the year end.

But dealers warned of Chinese selling. Brokers were said to be handling more Chinese material, although physical shipments are said to be down. "Money is a big mistress to the Chinese and I'm sure that people will find ways to try and break the export controls to get cash," said one dealer.

Stocks on the LME fell 185 tonnes to 28,995 tonnes.

**COCOA:** Rising. The reference price rose around 10 pounds to 980 pounds per tonne, on light speculation, but fluctuated in a narrow range between 975 and 1,000 pounds per tonne.

Cocoa rose despite delays in delivery of the Ivory Coast harvest to the ports for export and worries that the quality of the cocoa beans had been affected by heavy rains. Ivory Coast is the world's largest producer.

**COFFEE:** Lower. The reference price fell over 100 dollars to around 3,300 dollars per tonne as speculators withdrew from the market and a "general lack of enthusiasm" prevailed, dealers said.

The export figure for October at 1.58 million bags (each of 60 kilograms) is very similar to the previous year and reminded dealers that any shortage of Brazilian coffee will

not come before 1995.

**SUGAR:** Sharply higher. The reference price of refined sugar, for delivery in March, jumped to its highest level for almost four years at 384.5 dollars per tonne before declining later in the week.

Prices soared after dealers indicated the Russian sugar-beet harvest would not be more than 14 million tonnes this year, compared to 25.5 million in 1993, after a drought last summer.

Analysts at Czarnikow said: "In Eastern Europe, the drought this summer was more damaging than expected."

Czarnikow predicted Russia would finally only produce 1.52 million tonnes of sugar, compared with predictions of over two million tonnes, and would thus need to increase imports.

**VEGETABLE OILS:** Higher. The price of vegetable oils rose on the Rotterdam market on higher demand. Soya rose on large-scale buying in the US and overseas for industry.

Palm oil rose after production in Malaysia, the world's premier producer, was hit by flooding. November production is expected to slump by 15 per cent compared with the previous month, to 700,000 tonnes.

Rapeseed oil, sunflower oil and groundnut oil also lifted.

**OIL:** Weaker. The price of oil fell slightly during the week, on weaker demand and on a mild autumn in the northern hemisphere.

The reference price of Brent Crude North Sea oil for delivery in January fell to around 16.4 dollars a barrel after demand fell by 100,000 barrels a day compared with previous expectations, and stocks rose in the industrialised countries, the International Energy Agency said.

The impact of the UN oil embargo against Iraq has only had a limited impact on the market as the decision was expected. A number of analysts believe that Iraqi oil could return to international markets in the second half of 1995.

**RUBBER:** Slightly higher. Prices rose to around 872 pounds per tonne on sharper demand in industrialised countries, particularly in North America, where car sales continued to rise.

**GRAINS:** Slightly higher. Grains rose by between one and two pounds to around 105 pounds per tonne for wheat and to 100 pounds per tonne for barley, taking advantage of sterling's weakness against the dollar.

British exports, however, remained limited as did sales on other European markets. Prices also fell in France.

Prices on the Chicago market were lower, with exports also down. Egypt was due to sign a large import contract from the United States, which was delayed, as were imports by Pakistan.

**TEA:** Falling. The average price of tea on the weekly auction market fell with weaker demand for lower quality Indian tea and African teas.

Top quality teas were stable at around 185 pence per kilo, while medium and lower quality tea fell by two and four pence respectively to 122 and 86 pence a kilo.

**COTTON:** Higher. The cotton outlook price indicator rose to over 0.77 dollars per pound on the prospects of higher exports.

US exporters are expecting to increase exports after the Pakistan harvest was hit by insects.

**WOOL:** Higher. The reference price rose 20 pence to 4.60 pounds per kilo on fears of a shortage in the Australian market from January.

Drought this year has hit production and advanced the shearing date of the sheep, bringing wool onto the market at an earlier than expected date, and dealer fear an extreme shortage in the second half of the season (January to June 1995).