

BSCIC industrial units incur Tk 15 cr production loss due to power failure

By Rafiq Hasan

The industrial units under the Bangladesh Small and Cottage Industries Corporation (BSCIC) have incurred a production loss of over Tk 15 crore due to frequent power failures in the last fiscal year.

According to the annual report of BSCIC, as many as 755 industrial units in the 30 industrial estates have faced power disruption during the period from July 1993 to June '94, which caused Tk 15,82,84,688 production loss.

The total span of power disruption time in these industrial units during the period

was 5,651 hours. The report says the industrial units of Khulna Division suffered most for power failure in the last fiscal year. 167 industrial units in the division suffered a production loss of Tk 7,25,82,398 during the period.

In Chittagong Division, 324 industrial units were without any electricity for 2426 hours in the last fiscal year. The amount of production loss in these units stood at Tk 5,58,71,320.

168 industrial units of Rajshahi Division suffered Tk

1,71,11,645 as production losses during the period due to power failure.

In Dhaka Division, 96 industrial units experienced power disruption and suffered Tk 1,26,39,324 in production loss.

Of the 30 industrial estates, the worst affected area is Jessore where a total of 673 hours power failure occurred during the period causing Tk 3,36,31,130 in production loss.

360-hour power failure reported in 43 units in Khulna industrial estate making Tk 3,20,18,000 production loss

during the period. In the Comilla industrial estates, 93 units were affected by power failure. As a result, it incurred a loss of Tk 1,63,98,500.

The worst affected units were in Paliya where only 5 industrial units faced 555 hours power disruption making Tk 4,05,000 in production loss.

Other affected major industrial units were Sylhet-47, Mymensingh-47, Fozdarhat-47, Pabna-57, Bogra-38, Dinajpur-42 and Sharupkathi-21 units.

IHHL, Hayatt Int'l sign five-star hotel project accord

By Staff Correspondent

The International Hotel Holdings Limited (IHHL) revived its proposed five-star hotel project in the capital yesterday.

The accord was signed between the Hayatt International, a well-known five-star hotel chain of the United States, and the IHHL to set up the proposed 150 million dollar project - Hyatt Regency Dhaka.

David Chan, Vice-President of Hyatt International Asia Pacific and Fazlul Haq, Executive Director of the IHHL, signed the management agreement for the planned biggest five-star hotel in the country.

The hotel is to be operated by the Hyatt International US Ambassador to Bangladesh David N Merrill, Vice President of Hyatt International and Michael B Evanoff, Chairman and Deputy Chairman of Beximco group. A S F Rahman and Salman F Rahman respectively were present at the signing ceremony.

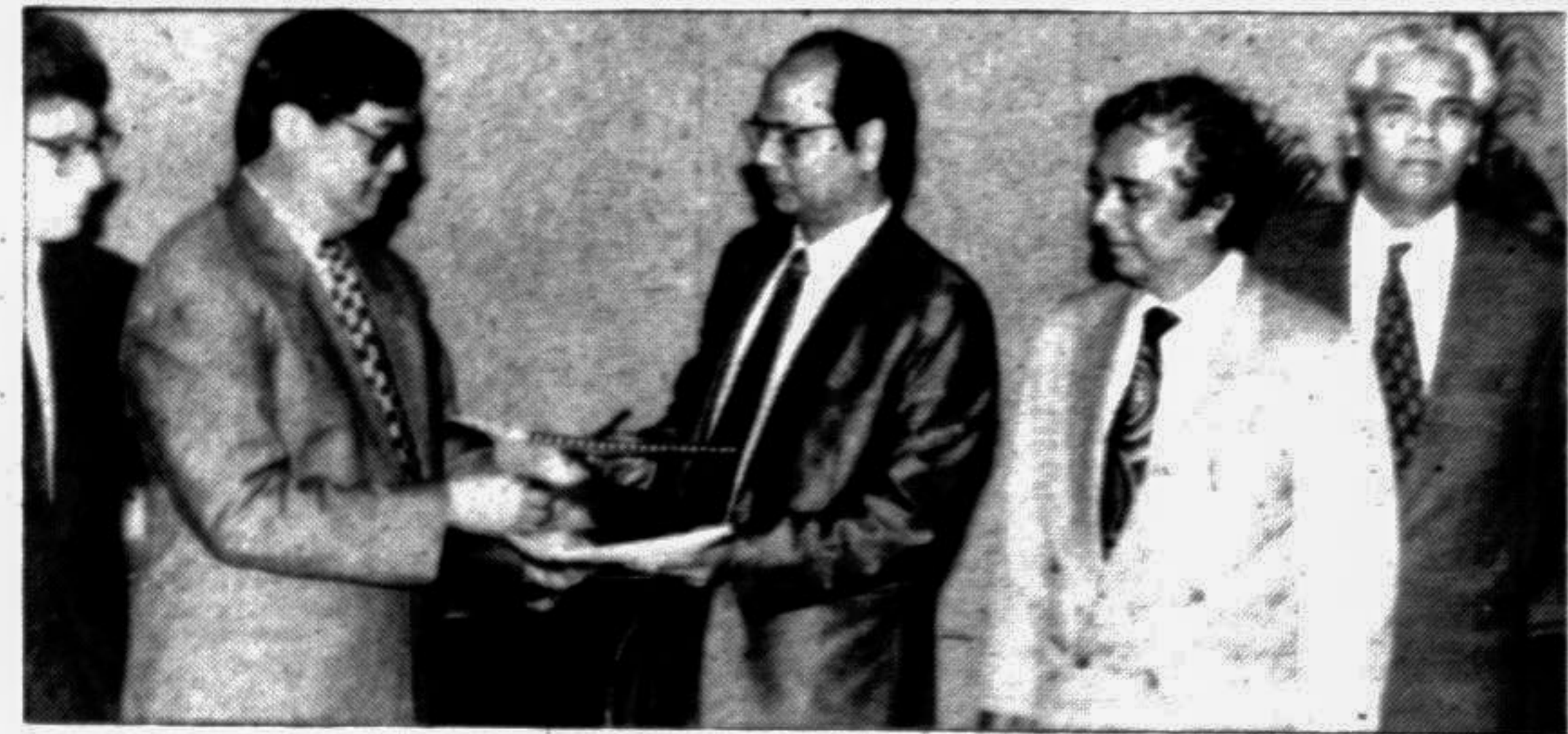
The project which was suspended because of a dispute over the land of the hotel site, was revived, according to the holding company, following a favourable investment climate in Bangladesh.

Briefing the newsmen, Salman F Rahman said that the proposed five-star hotel would have 416 rooms, a modern convention centre with 1000 seat capacity, health club, shopping complex and other modern facilities.

A Beximco group company, Shinepukur Jute Spinners Limited, which owns 40 per cent of the shares will initially finance the project. The IHHL has invested 30 crore taka so far.

Salman F Rahman also said that the Rajuk is yet to register the land for the IHHL, but it has issued a letter to the IHHL confirming the allotment of the land for the proposed hotel.

After completion, the hotel will provide employment for around 1200 people.



David Chan (4th-R), Vice-President of Hyatt Int'l Asia Pacific and Fazlul Haq (3rd-R), Executive Director of IHHL seen exchanging documents after signing a 150 million US dollar five-star hotel project agreement in the city yesterday. Salman F Rahman (extreme-R), A S F Rahman (2nd-R) of Beximco Group and Michael B Evanoff, Vice-President of Hyatt International are also seen in the picture. - Star photo

China plans forex market reform

BEIJING, Jan 8: China's foreign exchange market, which now trades only US and Hong Kong dollars, will begin trading some other currencies this year, an official report said Sunday, reports AP.

China is developing its foreign exchange market as part of the process of making its currency convertible.

The China Daily Business Weekly reported the plan to trade additional currencies, but did not name them.

China also will start forward foreign exchange transactions on an experimental basis, the report said. The center now allows only spot cash transactions.

China has set 2000 as the deadline to make the yuan freely convertible into other currencies.

The newspaper quoted an official of the State Administration of Exchange Control as saying the supply of foreign currency in China will remain higher than demand, but the gap will be smaller than last year.

He predicted the exchange rates of the Chinese currency against foreign currencies will remain stable this year.

The Shanghai-based China Foreign Exchange Trading Center is China's inter-bank foreign exchange market linking 23 cities.

Record 1.8 m tourists visit India in '94

NEW DELHI, Jan 8: A record 1.8 million tourists visited India last year despite a plague epidemic in September which led to many countries stopping air and sea links, the government said today, reports AP.

Some 2,20,000 of them came in December alone, setting a new high for the month, and earnings from the trade for 1994 was 1.6 billion dollars, a climb of 11.6 per cent over 1993 when 1.7 million tourists visited India.

An official statement said the new record was achieved despite the outbreak of a plague epidemic which sparked a nationwide scare and forced many countries to virtually quarantine India.

Biman introduces calendar quiz

By Staff Correspondent

Do you have eyes? Eyes to discover eyes? Whose eyes do you see on the pages of this calendar? These are the questions Biman Bangladesh Airlines put in its 1995 desk calendar. The national carrier launched a 'calendar quiz' and offered six air tickets to different international and regional destinations.

In the quiz, there are 12 eyes of man, animal, bird and fish. One has to identify the eyes and send the answer

monthwise to the Manager, Public Relations, Biman head office, Motijheel, by February 15.

The lottery will be held among the correct entries at the end of March.

There is a printed form with the calendar to send the answers.

Biman has distributed several thousand calendars expecting a good response from the public.

The prizes are:
1st prize: Dhaka-London-Dhaka ticket
2nd: Dhaka-Amsterdam-Dhaka
3rd: Dhaka-Rome-Dhaka
4th: Dhaka-Aden-Dhaka

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This swirling universe
Tells through our senses
Behold the eye
The strangest
The most subtle
The most vibrant sense of all

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Trade tension may take back seat at US-Japan summit

TOKYO, Jan 8: The last time a Japanese leader went to Washington for a summit, differences over trade policies fed a heated debate.

But the mood was far more conciliatory when Prime Minister Tomiichi Murayama sits down with President Clinton on Wednesday, according to AP.

Last February, Japan's then prime minister, Morihiro Hosokawa, and Clinton wound up grimly declaring they could not agree on trade issues. Both sides walked away steaming.

Things have changed greatly. The US economy is growing strongly while Japan's still struggles, and American

fears about Japanese trade dominance have receded. The talk on both sides has turned a lot less confrontational.

You aren't going to solve the problem... in just 21 or 22 months," US Trade Representative Mickey Kantor declared this past week as the United States and Japan agreed to resume talks about trade in cars and auto parts.

Former Prime Minister Toshiki Kaifu told a rally in December: "Japan is no longer a target for bashing. America has recovered its confidence."

The easing of trade animosity might be a relief for the two leaders, both of whom have their hands full with po-

litical troubles at home.

While newly dominant Republicans are threatening Clinton's agenda in Washington, Murayama faces a political menace of his own: a revolt within his Socialist party.

Leading Socialists accuse the prime minister of being too close to the coalition's dominant conservatives, the Liberal Democratic Party.

The rebels plan to form their own party within days after Murayama returns from Washington, and could even force the prime minister to call early elections. Clinton at least has until 1996 to rally his troops.

US won't cut aid package to Egypt: Perry

CAIRO, Jan 7: US Defence Secretary William Perry said today the Clinton administration would not cut its 2 billion US dollars aid package to Egypt and that he and other senior US officials would defend maintaining the current level of support, reports Reuters.

Speaking at a news conference after talks with Egyptian President Hosni Mubarak, Perry also said the United States supported the extension of a nuclear non-proliferation treaty that has placed Egypt and Israel at loggerheads.

Told President Mubarak that President Clinton has put into his budget, which he will be submitting to Congress in just a few weeks, the same level of aid for the next fiscal year (1995-96) that he had in the existing fiscal year," Perry said.

'Trade war' to affect American businesses, says China

BEIJING, Jan 8: China spelled out today the implication of a Sino-US trade war for US exporters and potential investors, singling out auto giant Chrysler as a firm that would bear the brunt of the tussle, reports APF.

International Trade Research Institute Vice President Zhou Shijian said any trade war resulting from US allegation of Beijing's failure to protect copyrights would inevitably delay the exploration of the Chinese market by US companies. The China Daily Business Weekly reported.

Zhou highlighted that they would be missing out on perhaps the last huge potential market in the world," the report said.

China has said it will retaliate if the United States carries out its threat to impose trade

sanctions on goods worth some one billion dollars if the two sides do not reach agreement on protection of intellectual property rights by February 4.

In particular, it has warned that talks with US car manufacturers on setting up ventures in China would be suspended.

US automaker Chrysler would bear the brunt of such an outcome - its current negotiations on setting up joint ventures in China would be spoiled," the newspaper said.

Chrysler inherited a jeep producing venture in Beijing when it took over American Motors Corp. and is now negotiating new projects.

Zhou added that other American auto manufacturers lined up for a share of the Chinese market would also be

affected causing them to fall even further behind European and Japanese counterparts in entering China.

The warning is a blow to US car makers which are scrambling to catch up after years of hesitation to make large scale investments in China. Beijing is in the process of restructuring the industry, making clear that only those foreign companies that have demonstrated long term commitment to China will be allowed in.

The auto market is tiny at present, but officials forecast that the number of cars on the road will surge to between 18 and 21 million by 2000.

Zhou said US businesses in other sectors would also suffer in any trade war but did not elaborate the report said.



Sonargaon Pan Pacific Hotel held a small ceremony for donating the money raised out of sponsoring Christmas Trees by Sonali Tobacco Pvt. Ltd, Shimizu Corporation, British Airways, BEXIMCO, Transmarine Logistics Ltd & Aquamarine Distributions Ltd, in the hotel on Saturday. The money collected from these sponsors were donated to three very worthy causes. Yoji Hamano, General Manager, Sonargaon Pan Pacific Hotel, handed over Tk 30,000/ each to Munira Khan, President and Habibullah Khan, past President of Assistance for Blind Children (ABC), Rowshan Ara Ahmed, President and Nilufar Mannan, past Vice President, Co-Chairman, Fund Raising Committee of Women's Voluntary Association (WVA) for running their school for disabled children and Dr Wright from Shantigram Disabled Children's Orphanage, to purchase cows for fresh milk for the children.

Commodity market: Prices of precious metals, lead, tea fall

LONDON, Jan 8: The prices of precious metals fell under a wave of selling by investors in the United States in the first week of trading in 1995, reports APF.

Investors turned away from gold, silver and platinum, felling that their attractions had been tarnished by measures to combat inflation in several countries, of which the United States is one.

The prices of base metals remained on an upward trend because demand was rising. The price of copper, which had peaked in the previous week, fell slightly, but aluminium continued to rise and reached the highest point for four years.

Dealers on the coffee market were waiting anxiously for application of a plan to limit the export of coffee from Colombia and countries in Central America which might cause a sudden tightening of world supplies, price remained firm.

Cocoa recovered slightly because consumption had increased. But this increase was small compared with an increase in the price of sugar in response to rumours that China was importing the commodity. Some grains remained firm, as did cotton and wool.

GOLD: Lower. Gold prices fell to an eight-month low, to less than 375 dollars an ounce on Thursday, as some investors (especially American) dumped their holdings.

The precious metals now look less attractive, financially, than last year and in 1993,

said Union Bank of Switzerland Analyst Andy Smith, even at 375 dollars an ounce, gold is still more than 15 dollars above its average 1993 level, he noted.

Moreover, US anti-inflation policy has put the precious metals in an unfavourable position, analysts say. The present focus is clearly on strict control of growth and prices. But gold, platinum and silver are traditional hedges against bouts of inflation.

SILVER: Down. Silver fell to its lowest level in a year due to selling by investment funds, which now seem to prefer the financial markets to the precious metals.

Silver hit a low of 4.62 dollars an ounce during the week, affected by rumors of sales by the Mexican central bank. Silver looks to be in the worst position of all precious metals because of the big stocks of the metal.

PLATINUM: Slipping. Prices eased, but by less than those of other precious metals as platinum fell to 403 dollars an ounce at the week's low point. The metal is still sustained by a good volume of buying in Japan.

COPPER: Lower. After peaking at 3,029 dollars a tonne (the highest since 1989) during the last trading session of 1994, the red metal lost ground at the start of 1995.

Prices managed to remain at the previous week's high level, more than 1,160 dollars a tonne. Observers expect demand to remain sustained thanks to higher steel output in Asia and the west.

Stocks dipped by 900 tonnes to 1,184,900 tonnes.

ALUMINUM: Uptrend. Prices rose to more than 2,000 dollars a tonne, the highest level since 1990, thanks to speculative buying, sustained demand and a drop of world stocks.

A GNI analyst commented that the lower stocks reflect tighter supply and the application of the production limitation plan this being enough to drive prices higher.

A rise in LME stocks at the end of the week did not damp market optimism. Stocks rose by 28,750 tonnes to 1,703,400 tonnes.

NICKEL: Higher. Prices rose by more than 200 dollars to finish at around 9,200 per tonne thanks to continued substantial purchasing and a likelihood of lower output at norilsk in Russia, the world's biggest production site.

The market was unfazed by the announcement by interfax news agency of a 3.2 per cent rise in norilsk's production in 1994 compared with 1993. Brokers were not convinced by those figures, and still think output suffered last November and December because of electricity supply problems. Stocks dipped very slightly by 30 tonnes to 148,422.

TIN: Stable. Prices remained generally at their level of the previous week, despite daily fluctuations reflecting movements of copper and aluminium.

This secondary metal suffers from continuing large ex-

ports by China.

Stocks rose slightly by 5 tonnes to 28,110 tonnes.

COCOA: Higher. Cocoa prices rose but did not break up through the 1,000-pound-a-tonne barrier, as Dutch and German chocolate-makers reported higher grinding figures.

The reference price ended the week at around 990 pounds a tonne, encouraged by a rise of almost 10 per cent in Dutch grinding (Cocoa use) in the fourth quarter last year compared with the year earlier quarter. In addition, chocolate production in Germany climbed 7 per cent for the first 11 months last year compared with the same period the previous year.

Early in the week, the market was affected by higher figures for bean shipments arriving at Ivory Coast port, comparable to last year's despite fears caused by earlier delays and unfavourable weather.

COFFEE: Irregular. Robusta coffee prices fluctuated irregularly in light trading after year-end festivities, but they were supported by the Latin American producers' export retention plan.

Prices ended the week at more than 2,800 dollars a tonne, similar to last week's level. The plan for limiting exports took form with moves along that line by Colombia and central American countries effective at the start of the year. Salvador and Guatemala are responsible for monitoring ap-

plication.

Brazil might soon follow suit, and so might the association of coffee-producing countries, which includes the majority of the world's exporters.

Operators view the risk of lower supply as very serious. One dealer commented that the producers had managed in the past to finance such plans, even though they had fewer funds than now.

SUGAR: Higher. White sugar prices zipped up to their highest level since 1990 at 422 dollars a tonne, under the effect of speculative buying on the American market.

There were market rumours of massive imports by China, where two disastrous harvests in 1993 and 1994 forced buying on the world market.

VEGETABLE OILS: Quite. Prices varied little on the Rotterdam market but when they did it was generally downward. Soy oil dipped slightly because of good harvests in Brazil.

Palm oil also fell, as operators said a reduction in Indonesian export taxes on the product would increase the sales of that country, the world's leading producer.

OIL: Higher. The new year started off well for Brent crude oil prices, which rose firmly above the 16-dollar level, ending the week at more than 16.40 dollars a barrel.

A dip of 8 million barrels in US crude oil stocks was the

same cause of the price rise. Cold in North America has boosted consumption of heating oil, increased refining, and drawn down stocks.

The arrival of a cold wave in Europe also helped move prices higher, as did the closing of the Russian terminal of Novorossiisk on the Black Sea due to bad weather.

Some observers said that tensions in Algeria made a small contribution to the price uptrend.

RUBBER: Bouncing higher. Rubber prices have gone up and up, and this week at around 1,085 pounds a tonne they reached their highest level in at least a quarter-century.

The uptrend was due to "high demand by tire manufacturers on the physical market," said Mauricecaine, Secretary-General of the International Rubber Study Group.

He said some big tire-makers have previously steered clear of the market, hoping for lower prices, and they will probably have to buy large quantities before the low-production period in Southeast Asia between February and April.

That means rubber prices will not go back down for months.

CEREALS: Stable. Prices of wheat and barley remained generally stable at 107 and 103.5 pounds per tonne respectively, but the market seems likely to move up all the

same thanks to a low world wheat harvest in 1994.

Purchases of European wheat by Iraq and some buyers from Jordan and Egypt leant some life to the European markets.

The trend was more uncertain on the Chicago market, which fell early in the week on fears of a suspension of Chinese imports, then rose in a technical rally and due to cold in the Midwest, giving rise to fears for winter plantings.

TEA: Lower. Indian medium-grade teas suffered from lower demand, while low-grade Sri Lanka teas tended to rise. The average price at London auctions rose to more than 113 pence per kg against the previous 109 pence.

The Kenyan harvest, which suffered considerably from drought at the end of 1993 and early 1994, has completely recovered.

COTTON: Sharply higher. The indicator price of special-ized publication cotton outlook jumped after the year-end holiday break to over 91 cents per pound, against 86 before the holiday period.

The rise is explained by substantial buying by investment funds attracted to the US market by prospects for a big rise in US exports to offset production losses in several Asian countries.

WOOL: Stable. The Bradford reference price was unchanged at 478 pence per kg as business remained low following the holiday period.