

Stock market closes higher in New York

NEW YORK, Feb 3: Stocks managed modest gains Thursday, but trading was sluggish as investors remained divided about whether interest rates are headed higher, reports AP.
Analysts issued different interpretations of Wednesday's move by the Federal Reserve to raise short-term interest rates by 0.5 percentage points. Many investors hoped that would be the last tightening for a while, and that stocks could rise steadily in an environment of stable rates.

But the Fed issued a statement on Wednesday leading some to believe the central bank was not finished tightening. Stock investors worry that if rates go higher, they could choke off economic growth and cut into corporate earnings.

But many waited for January payroll and unemployment data, due out Friday, before placing big bets either way.
Economically sensitive stocks gained on the premise that they should post the biggest gains if the economy keeps growing.
"The way you make money in any stock in an environment of rising interest rates is to focus on rising earnings," said John Shaughnessy, research director at Adv Research. "A number of the cyclical, including chemicals and paper (companies) with large international exposure, should do well in that environment."

The markets had little reaction to three economic reports released in the morning. The Labour Department said new unemployment claims rose by 1,000 last week, but remained at a level that analysts say marks a healthy job market.

The Conference Board reported that its help-wanted ad index rose 4 points in December and said consumer spending should continue rising at 3 per cent annual rate or more, indicating continued strong growth in the economy.

The Commerce Department said sales of new homes rose 0.6 per cent in 1994 to the highest level in six years, but slowed by the same amount in December as mortgage rates rose.

Overseas stock markets were mostly lower. The Nikkei index in Tokyo fell 0.7 per cent. In Frankfurt, the DAX lost 0.2 per cent. But in London, the FT-SE index was up 0.58 per cent.

Weekly analysis

DSE trading on the rise

By Sohel Manzur

Trading in the Dhaka Stock Exchange (DSE) increased last week with a sharp rise in the main index largely due to an international investment conference in Dhaka the previous week, market operators said.

The two-day investment conference, organised jointly by the Board of Investment (BOI) and the London-based Euro money on January 24-25, was participated by over 200 global and regional investors and fund managers.

Market operators believed that impact of the conference on the market was almost evident as the bourse normally remains dull in January.

Market capitalisation of the listed securities hit the one billion dollar mark (Tk 40.88 billion) for the second time in January 29 (Sunday) after remaining low all around the month.

The market capitalisation began with Tk 39.72 billion on Saturday after closing at Tk 39.39 billion the previous week. At the close of trading Thursday it stood at Tk 40.47 billion.

The main index started last week with 822.71 points after

closing at 815.90 points in the previous week and at the close of trading on Thursday it stood at 838.00 points.
The index and the market capitalisation suffered a fall on January 31 because of a sharp decline in the share price of the Bangladesh Lamps, one of the scrips which matter largely in determining the market index. Bangladesh Lamps led the losers list on the day with a fall of Tk 40 per share.
However, on the following two days, the main index and the market capitalisation have started to pick up again, although transactions of shares went down during that time.
The dealers, however, attributed to the holy Ramadan month for a downward trend in the share transactions at the week end.
A total of 397,367 shares and debentures worth 1.98 million dollars were traded on the DSE floor last week as against only 197,452 shares and debentures worth .87 million dollars in the previous week.

The Securities and Exchange Commission's recent ruling on purchase of primary issues through the investors' own bank accounts, instead of the designated bankers, was also a positive step that might have acted as an encouraging factor for the investors last week, he said.

The DSE Vice Chairman said both the steps would increase participation of small investors in the share market and improve the liquidity situation.



Despite a rich supply of green vegetables in different city markets this year, prices are much higher than expectation of commonman. — Star photo

India opens five lucrative rail circuits to private sector

NEW DELHI, Feb 3: India has opened five lucrative rail circuits to the private sector including the London-based Orient Express Group, to operate luxury trains for well-heeled tourists, reports AFP.

Each train of 21 carriages will reflect the ethnic flavour of the region during weeklong journeys and cover seven tourist destinations; the Railway Ministry said yesterday.
Passengers will travel in air-conditioned trains which include 13 sleeper cars, two dining cars and a lounge car.
Each sleeper, divided into four bunks, will have attached bath, pantry, refrigerator and closed circuit television and eight music systems. There will be a steward for every eight passengers.

The orient express group and its local partner Patil Travels have won bids to run trains between the western city of Bombay and Southern Hyderabad and another service covering important southern tourist spots.
The 1,876 kms (1,172-mile) journey between Bombay and Hyderabad will stop at the famed Ajanta caves.

Tk 30,000cr spent for overall dev: Zahir

CHITTAGONG, Feb 3: Government has so far spent Taka 30,000 crore for overall development of the country and another 7,000 crore will be spent within June next, reports UNB.

This was disclosed by Industries Minister AM Zahiruddin Khan on Thursday at the concluding ceremony of the reexcavation project of Haonkhali canal at Barkal in Chandanai thana.

The minister also inaugurated the irrigation project of the canal there as chief guest.
Khan said some 9034.66 cubic metres of canals have been dug in the area under voluntary service and food for work programme. It will provide irrigation facilities to 200 acres of lands and some 600 families will be benefited under the programme.
Crop production is expected to increase by 360 metric tones, fishes 2 metric tones, plantation of 634 trees and extraction of water from 2,000 acres of lands following reexcavation of canals.

He said the present government is determined to improve the standard of living of the rural poor and the country's agriculture sector.
The price of fertiliser has

been reduced with a view to increase agricultural production, the minister pointed out and ordered the concerned authorities to supply fertilizers directly to dealers and farmers of the area.
Presided over by Borkol UP Chairman AKM Nazim Uddin the meeting was addressed among others by Deputy Commissioner AHM Abul Kashem, TNO of the Chandanai thana Azimuddin and BNP Secretary of the thana Abu Taher.

increase
WASHINGTON, Feb 3: President Bill Clinton and Democratic members of the US Congress will propose raising the 4.25 hourly minimum wage to 5.15 US dollar over two years, congressional official said yesterday, reports Reuter.

They said Clinton and the lawmakers would unveil their proposal for a 90 cent increase at a White House rose garden ceremony on Friday morning. The White House scheduled a rose garden announcement, but did not disclose its nature.

BRIEFS

Pak-Iranian accord on gas pipeline

ISLAMABAD, Feb 3: Pakistan and Iran agreed to set up a consortium for building a pipeline to transfer Iranian natural gas to Pakistan, Petroleum and Natural Resources Minister Anwar Saifullah said. He told newsmen yesterday that technical studies had already been completed for the construction of 1600 km pipeline between the Iranian port of Assaluyeh and Pakistani city of Karachi. The project in the private sector will cost from 3.5 to 4 billion US dollars and will be completed in about three years, reports AFP.

Mandela gov proposes new labour law

JOHANNESBURG, Feb 3: Hoping to cap persistent labour unrest, President Nelson Mandela's government proposed new laws Thursday entrenching the rights of workers to job security, join union and strike. Hailed by labour leaders as an essential step from apartheid rule to democratic reforms, the Labour Relations Bill calls for an independent, government-funded mediation commission to try to solve problems between bosses and workers. As Labour Minister Tito Mboweni presented the bill at a news conference, Mandela warned the government's patience had worn thin with protesting workers who have made a habit of occupying buildings and holding hostages in recent weeks, reports AP.

US budget '96 shows \$196.7b deficit

NEW YORK, Feb 3: President Bill Clinton's 1.6 trillion US dollars 1996 budget shows a deficit of 196.7 billion US dollars for the 1996 fiscal year, up slightly from the 192.5 billion US dollars he projects for this year, the New York Times reported in its Friday edition. The paper citing confidential galley proofs of the budget to be presented to the US Congress on Monday reported Clinton says the deficit will probably stay in the range of 190 billion US dollars through 2005. This estimate falls far short of demands by Republicans—who now control both houses of Congress—for a balanced budget for the year 2002, reports Reuter.

Iran fighting to curb flow of hard currency

TEHRAN, Feb 3: Iran is fighting to curb the flow abroad of hundreds of millions of dollars in hard currency each year that is deepening the country's economic crisis. According to central bank governor Mohsen Murbakhsh, only 800 million of the country's estimated 3.2 billion dollars in hard currency earnings from oil exports last year returned to Iran, even though many of the export companies are associated with the government. The country, meanwhile, is on the brink of bankruptcy and over-burdened by a short and medium-term foreign debt of more than 30 billion dollars, reports AFP.

Mitterrand, Kohl discuss EU issues

PARIS, Feb 3: Seeking to reinforce the Franco-German partnership in the European Union, President Francois Mitterrand and Chancellor Helmut Kohl discussed EU issues Thursday on the eve of a key EU meeting. The Mitterrand-Kohl talk, followed by a dinner at the president's Elysee Palace, was billed as an informal discussion, not a summit, the palace said. But the message was clear on the day before a meeting in Paris of the European Commission. France was seeking harmony with its most important ally, while it holds the six-month rotating presidency of the all-powerful EU Council of Ministers, reports AP.

Aussie finance minister denies accusation

CANBERRA, Feb 3: Australian Finance Minister Kim Beazley said today the government's planned budget tightening would put spending cuts, before tax hikes, contrary to economists' predictions more revenue was the easy way out. The minister also defended the government against accusations it was irresponsible in delaying the fiscal tightening until the next budget in May despite the knowledge that the economy has been racing too fast for months, reports Reuter.

Italian cos interested in direct investment in Bangladesh

By M Zanini

Italy has observed with interest that, in accordance with what is happening in the main Asian countries in the general and quick process of transition towards a market economy, also the Government of Bangladesh has started a process of privatization of the major public companies and the liberalization of foreign investments, in collaboration with IMF, IDA, the donor countries and the Islamic Development Bank.

These important measures have already permitted some positive achievements for the economic development of the country. Starting from 1992, a marked decrease of the inflation rate, as well as a reduction of the public deficit (also thanks to the introduction of the VAT), have been obtained. Also to be noticed are the increase of the reserve currency, and the achievement of a self-sufficient food production. The growth rate of the economy has been around 4.5 per cent.

Although the bilateral economic relations between Italy and Bangladesh are based on a reciprocal dynamism and on several interesting initiatives, Italy feels that they are not yet up to the effective potentials of the two economic systems. Bangladesh is only at the 15th place among Italy's trade partners in Asia. Bilateral trade figures related to the years 1992 and 1993 show that there has been an overall increase of 50 per cent, the balance being largely in favour of Bangladesh.

The Italian exports to Bangladesh are mainly machinery and spare parts, while Italy imports essentially textile products, man made and vegetable fibres.

As far as bilateral agreements are concerned, in 1993 Italy and Bangladesh have signed an agreement on promotion and protection of investments, while an agreement on the avoidance of double taxation is ready to be

ratified. Other agreements in force between the two countries are in the fields of technical cooperation, cultural and scientific cooperation, general agreement on cooperation, and a three year protocol of technical and financial cooperation.

The existing agreements are the results of the need felt by the two countries to further increase trade relations, direct investments, and also to encourage the setting up of joint ventures, and cooperation in fields of mutual interest. It has been noticed in fact that the two economic scenarios present a rather high "complementary" potential, worth to be closely investigated by entrepreneurs of the two countries.

Italian companies are potentially interested in direct investments in Bangladesh. Some of them are already operating in the country in various fields of activity, among others in infrastructures.

Still, there is a larger number of opportunities to invest in Bangladesh. The low cost of manpower in this country and the Italian advanced technology in specific sectors—such as the leather industry—make it particularly attractive for new joint ventures.

Among the Italian companies already operating in Bangladesh, the following are worth to be mentioned: Alitalia, ACIMIT, ABB, SAE Sadelmi, Fiat Avio, Fochi, Italtel, Agrotec, BIT, Cortellazzi, Interleather, I.P.M 3P Progetti, Umret, VM Motori and Nuova Fiorentini.

(This is the extract from the speech delivered by M Zanini, Head of the Asia Desk of the Italian Ministry of Foreign Affairs, on the occasion of the seminar on "Investment and trade opportunities in Bangladesh" which has just been held in the Italian capital Rome.)



Visitors of an Amsterdam motorshow stand around the latest model of Japanese carmaker Mitsubishi on Thursday. The Mitsubishi 'Carisma' will be produced for the European market and is built in the Netherlands in a joint venture with Volvo (Sweden) and NedCar (Netherlands). — AFP photo

Thailand, Myanmar sign \$12.4b gas accord

BANGKOK, Feb 3: Thailand and Myanmar signed a 310 billion baht (12.4 billion dollar) agreement Thursday for Thailand to buy natural gas from the Yadana gas field in the Gulf of Martaban, says AFP.

Thai Prime Minister Chuan Leekpai, who presided over the signing ceremony, hailed the 30-year agreement as a "milestone in relations between the two countries," saying it would have an impact beyond its strictly economic content.

"It is necessary for Thailand to maintain economic contacts with Myanmar even if we don't always agree with the regime," government spokesman Akkrapol Sorasuchart said later.

His comments followed a call by the Chairman of the House Committee of Foreign Affairs, Suthin Noppaket, for Thailand to review support for Myanmar because the policy had not encouraged the development of democracy.
Thailand is to purchase some 10 billion baht (400 million dollars) of natural gas for power generation each year. This is the first time Thailand has bought overseas gas.
The accord provides for an

additional 10 billion baht (400 million dollars) investment in the construction of a 400-kilometre (250-mile) pipeline from the gas field across the Thai border to Kanchanaburi province.

The Yadana oil field is expected to produce 525 million cubic feet of natural gas per day, but it has an estimated potential of 5.7 trillion cubic feet, Thai officials said.

The Petroleum Authority of Thailand (PT) is to buy a 300-kilometre (185-mile) pipeline from the gas field, point in Kanchanaburi province to a 2,800-megawatt power plant to be built in Ratchaburi province.

Russian finance minister ill

MOSCOW, Feb 3: Russian Finance Minister Vladimir Panskov has been taken to hospital suffering from a severe stomach ulcer and will there for at least a month, a ministry spokeswoman said on Thursday, reports Reuter.
"The ulcer suddenly became very aggravated last night. It is clear he will be in hospital for at least a month," Olga Leonova said by telephone.

IMF okays record \$17.8b line of credit to Mexico

WASHINGTON, Feb 3: The International Monetary Fund executive board has approved a record 17.8 billion dollar credit line to help Mexico overcome its financial crisis, says AFP.

The IMF credits, approved late Wednesday, were part of a 50-billion dollar US-led rescue plan for Mexico announced Tuesday by President Bill Clinton, an IMF statement said. The IMF's 18-month stand-by credit for Mexico, the largest ever approved for a member country, includes 7.8 billion dollars immediately available.
Up to 10 billion dollars more will be provided by the IMF to the extent that contributions of governments and central banks fall short of this target.

Clinton's rescue plan for Mexico includes a 10 billion dollar credit from the Swiss-based International Bank of Settlements and another three billion from private banks.

An additional 20 billion dollars will be made available from a 25 billion dollar US exchange stabilisation fund to help Mexico, allowing Clinton to sidestep Congress where approval of his initial 40 billion dollar package of US loan guarantees had run into trouble.
The IMF said its record stand-by credit for Mexico was approved "with a view to providing an adequate international response to Mexico's financial crisis and giving confidence to the international financial system."

Mexico plunged into crisis after the government decided to float the peso on December 20, sending the currency into free fall and causing many foreign investors to withdraw money.
The crisis spilled over to other shaky Latin American economies and increased volatility in other world markets.
The aid provided by the international community will enable Mexico to meet its short term debt, composed essentially of 26 billion dollars in treasury bonds that come due this year and 15 billion dollars in interest on its foreign debt.
It also should at least partially reassure investors, as was witnessed in the spectacular rise in the stock market, which closed with a 10.29 per cent gain, its biggest since 1988.

The availability of external financing... is expected to ease investors' immediate concerns about the situation in Mexico, and reverse the overshooting of the depreciation of the currency that has occurred," the IMF statement said.
The US-led rescue plan is set against the background of Mexico's adjustment programme to help deal with the current crisis in financial and foreign exchange markets.
According to the IMF, the 1995 objectives of Mexico's adjustment programme are reducing the external current account deficit from eight per cent of Gross Domestic Product (GDP) to four per cent in 1995, and to 3-3.5 per cent of GDP in 1996.
It also foresees lowering the annualised rate of inflation to

around nine per cent in the fourth quarter of 1995, from more than 30 per cent in the first quarter of the year.

"Economic activity is expected to decline in the first half of the year, as the effects of the change in relative prices and the financial adjustment work through the economy," said the IMF.

"Whoever, it is expected to recover in the second half of the year as financial conditions stabilise," the statement added. "Real GDP should grow by around 1.5 per cent for 1995 is a whole."
The IMF said the adjustment programme "provides an appropriate policy response to current circumstances," adding that the support of the international financial community "is crucial to (the) success."

BCIC International Tender Notice

বিসিআইসি'র পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

Managing Director, Chhatak Cement Co Ltd, Chhatak, Sunamganj hereby invites sealed quotations on C&F (C) Chittagong/Benapole basis for supply of Castable against Tender Enquiry No. PD/FCCCL/8/94-95 dt 22-1-95. The tenders accompanied with 1% (one per cent) Earnest Money/Bid Bond and also Money Receipt evidencing purchase of tender documents will be received up to 10-00 AM on 12-3-95 and be opened immediately thereafter the same day on payment of Tk 400.00 in cash (Non-refundable). The tender documents will be available from the Office of the (1) The Controller of Accounts, BCIC Head Office, 30-31, Dilkusha C/A, Dhaka (2) BCIC Branch Office, 6-Agrabad C/A, Chittagong and (3) Chhatak Cement Co. Ltd. except the opening day of the tenders.

BCIC-101-28/1/95
DFP-2292-29/1*
G-187

Rahimuddin Ahmed
Adl. Ch. Manager (Pur)
For Managing Director.

Titas Gas Transmission & Distribution Co. Ltd

(A Subsidiary Company of Petrobangla)
105, Kazi Nazrul Islam Avenue
Kawran Bazar C/A, Dhaka-1215
Addendum No. 01 dt. 02 February, 1995

International Tender Document No. PD, 2312/364-REG dt 19 December '94 concerning procurement of Gas Pressure Regulators

Above tender document is hereby amended as follows:
1) Comparison will be made on item-wise total C&F Chittagong prices for items A.1, A.2, A.3, B.1 & B.2 separately. Bidders have the option to quote for all or any of the items of the Price Bid Schedule, but they must quote item-wise separate C&F prices. Contract awards will be decided on item-wise basis instead of group-wise. A revised 'Price Bid Schedule' replacing the original one at page 20 & 20(i) of the tender document is being issued to those bidders who have purchased/will purchase the above tender document. Bidders are requested to quote prices as per revised format of Price Bid Schedule.
2) Bid closing date is shifted from 12 Feb '95 to 25 Feb '95.
All other terms and conditions of the tender document shall remain unchanged.

—Deputy General Manager (Purchase)