

Nepal finally okays controversial hydro-electric project

KATHMANDU, Mar 6 — Nepal has finally given the go-ahead for the construction of a controversial hydro electric project which has been locked in the planning stages for eight years, top official said yesterday.

The government has approved a slightly modified version of the 800 million dollars main contributor, the World Bank, a senior Water Resources Ministry official told AFP.

The project is planned to be started early next year and it's hoped it will be completed by 2000 in order to meet the acute power shortage, he said.

The Nepal Communist Party-United Marxist and Leninist (NCP-UML) government approved the project with certain conditions after a lengthy debate, a finance ministry source said, refusing however to reveal the conditions.

The source added that the government had written a "positive letter" recommending the project to the President of the World Bank.

The 201 megawatt project to be sited 300 kilometres (107 miles) northeast of here was first conceived by the officials under the former party-

less Panchayat system in 1986, at a cost then estimated at around 450 million dollars.

But after an eight year delay caused by opposition and alleged scandals surrounding the project — which will be able to generate more than 1000 megawatts of sorely needed electricity — its price tag has almost doubled.

Millions of dollars have already been spent on environmental impact studies, and compensating and resettling displaced families.

The power plant, to be located in the foothills of the Himalayas, has become the most intensely studied project in this tiny country's history and has been the subject of heated debate and harsh criticism over the years.

It was bitterly opposed by environmental groups, who said the proposed 65 metre high dam in the Arun Valley faced an imminent danger bursting as upstream glacial lakes melted.

In addition, allegations surfaced in the Nepalese press claiming the then Nepali Congress (NC) government and

others concerned in the project would reap huge commissions if the project went ahead.

Also, the NCP-UML opposition alleged that the government had received underhand payments from overseas agents with huge financial stakes in the project, in return for backing it.

Critics of the Arun scheme said the power generated from it would be among the most expensive supplies in the world, making it a luxury item for most Nepalese, whose per capita income stands at just 200 US dollars.

They argued that smaller hydro electric projects in other parts of the country would better serve the country's dire need for power and be more cost effective in the long run.

The scheme is essential to alleviate Nepal's critical power shortage and to boost its economic development, experts said.

Currently Nepal's electricity authorities are forced to "shed load" twice a week in the capital and other parts of the country for two hours. The

shortages are expected to last until 2006.

Nepal's current power output stands at less than 300 megawatts, but the kingdom has an awesome potential of 83,000 megawatts of hydro electric power, with its numerous rapid white water rivers, experts said.

The World Bank, which has agreed to provide 170 million dollars in soft loan for the scheme, has been accused by environmentalists and other critics of being motivated by donor-driven interests and subjecting Nepal to harsh loan terms.

An independent World Bank evaluation team stated in its report that the bank's management had failed to comply with its policy guidelines on Arun.

As much as 80 per cent cost of the project is to be met with foreign grants and loans carrying nominal interest rates. The Nepalese government and the autonomous Nepal Electricity Authority will bear 20 per cent of the cost.

Other major contributors are KFW bank of Germany, Asian Development Bank, Japan and Sweden.

Photographer Manwar Hussain Manik receiving a gold crest from Barrister Rafiqul Islam Mia, Minister for Housing and Works, awarded to him as an entrepreneur in the field of studio photography, by the City Cultural Centre, in Dhaka recently.



A visitor peers through a tube at a display meant to explain the impact of the environment on the world and its population at the global village building at the Non Governmental Organisation (NGO) complex in Copenhagen on Sunday on the eve of the opening of the UN sponsored world economic summit for social development. — AFP/UN photo

Banks can manage securities risk, says Greenspan

WASHINGTON, Mar 6: It is time to let banks expand into the securities business. Federal Reserve Chairman Alan Greenspan said Tuesday. But some Congressmen worried that such changes could expose the federal bank insurance fund to major losses, reports AP.

Rep. Charles Schumer said regulators and Congress need to proceed cautiously, particularly after the downfall of Barings Brothers and Co. Barings, one of Britain's oldest investment banks, was seized last weekend after losing nearly one billion dollars in the Asian futures market.

"Technology has gotten so far ahead of banks that there are not the controls," said Schumer, speaking at a House Banking Committee hearing on bank reform.

Greenspan said he shared Schumer's concern about inadequate controls. But he added that banks have shown from their limited securities dealings that they can properly manage risks — such as last year's dramatic bond market decline — and should be allowed to expand further.

"I read the evidence as saying that the risks in securities underwriting and dealing are manageable," Greenspan said. Giving banks a new source of revenue from securities would enhance their stability, he added.

Referring to the Barings scandal, Greenspan said regulators and bank management simply have to recognize that computer technology gives individual traders power unknown a generation ago.

"Because of technology, individual players have the ability of engaging (in trades) far more vastly than ever before," he said.

The House Banking Committee is considering a sweeping overhaul of America's banking laws that would allow commercial banks into the securities business for the first time since the 1930s.

Greenspan praised the bill proposed by Banking Committee Chairman Jim Leach, saying it would be a major step in the modernization of our financial system.

Forex markets: Investors move to yen, mark over the week

HONG KONG, Mar 6: Investors moved to the yen and mark, seen as having long-term stability amidst doubts over US commitment to balance its budget and pay for a Mexican rescue package, says AFP.

JAPANESE YEN: The yen jumped to an all-time local high of 95.22 to the dollar in Tokyo on much speculative trading at the end of the week after gradually recovering from a low of 97.50 on Monday.

The Japanese currency was seen likely to reach new heights against the dollar despite concerted intervention by the Group of Seven (G 7) central banks as short term traders might try to make quick profits.

The week started with investors supporting the US unit as Tokyo shares plunge on massive investment losses by the British Merchant Bank Barings. But the yen turned upward led by the mark's advance against the US unit.

AUSTRALIAN DOLLAR: The Australian dollar weathered a collapse in the Greenback to close the week Friday almost unchanged, dealers said.

The local dollar finished at 73.77 US cents just above the previous week's close of 73.76

US cents, as expectations of an interest rate rise put a floor under the currency.

Economists said January retail sales which showed a bigger than expected 2.8 per cent rise Thursday and an increase in December quarter business stocks confirmed the likelihood of another rate rise to curb strong economic growth.

On the Reserve Bank of Australia's trade weighted index, a basket of major trading currencies, the Australian dollar dropped to 52.4 points from 52.7 points a week before.

SINGAPORE DOLLAR: The Singapore dollar ended the week higher against the US dollar to 1.4490 from 1.4510 previously, in a trading week shortened by the Eid-ul-Fitr holiday on Friday.

HONG KONG DOLLAR: The territory's currency, pegged at 7.80 to the US dollar, closed at 7.732 7.733 to the US unit on Friday.

INDONESIAN RUPIAH: With the trading week shortened by the Eid-ul-Fitr holiday, the Indonesian currency closed trading on Wednesday at 2.212 rupiah to the dollar, or one rupiah weaker than at the closing on Friday the previous week.

MALAYSIAN RINGGIT: The Ringgit gained a single basis point to close the week higher at 2.5530 from 2.5531 previously.

Dealers said there was little activity through the week in the local money market, which closed on Thursday for the three-day Muslim Eid-ul-Fitr holiday.

NEW ZEALAND DOLLAR: The New Zealand dollar closed Friday worth 63.70 US cents, up on the previous week's closing of 63.28 cents.

Dealers said the Kiwi tracked the Australian dollar as it rose against the US.

PHILIPPINE PESO: The Philippine peso appreciated from 25.841 pesos to the US dollar on February 24 to 25.789 pesos on Friday.

Speculative attacks on the peso caused it to fall to 26.05 to the dollar on Thursday but the central bank countered before noon Friday by increasing its overnight lending rates from 25 to 30 per cent, arresting peso's slide.

SOUTH KOREAN WON: The won slightly weakened from 788.10 won per dollar a week ago to 789.50 won to the Greenback Saturday. The record appreciation of the Japanese yen against the dollar sent the South Korean currency to an all-time low of 827.79 against 100 yen.

TAIWAN DOLLAR: The US dollar declined slightly to close Friday at 36.3175 Taiwan dollars, down 4.45 Taiwan cents from the previous week's finish of 26.362 Taiwan dollars.

Market dealers said the local unit advanced due to the central bank's efforts to prop up the Taiwan dollar to cushion imported inflationary pressure.

THAI BAHT: The Bank of Thailand's Exchange Equalisation Fund fixed the official midrate Friday at 24.88 baht to one dollar, down from last week's close of 24.94 baht. The dollar fell six satangs because Japanese investors worldwide sold dollars to buy yen for remittances at the end of the first quarter, a Thai Military Bank official said.

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Bangladesh Bank Affairs

Statement of affairs of the Bangladesh Bank
Banking Department as on the 2nd February, 1995.

Liabilities	Taka
Capital Paid up	3,00,00,000
Reserve Fund	3,00,00,000
Rural Credit Fund	226,05,96,000
Industrial Credit Fund	63,78,52,000
Export Credit Fund	65,00,00,000
Agricultural Credit Stabilisation Fund	220,00,00,000
Deposits:	
a) Government	117,02,10,000
b) Banks	3766,63,92,000
c) Others	4916,42,63,000
Allocation of Special Drawing Rights	8800,03,65,000
Bills Payable	91,74,31,000
Other Liabilities	600,84,05,000
Total Liabilities	12255,35,49,000
Assets	Taka
Notes	73,48,000
Taka Coin	---
Subsidiary Coin	---
Bills Purchased & Discounted:	1,000
a) Internal	---
b) External	---
c) Govt Try Bills	---
Balances held outside Bangladesh	9112,43,58,000
Special Drawing Rights held with the IMF	---
Loans and Advances to Government	---
Government's Debtor Balances	---
Other Loans and Advances	1159,90,50,000
Investments	326,96,98,000
Other Assets	1655,30,94,000
Total Assets	12255,35,49,000

Includes Cash & Short Term Securities.
An account pursuant to the Bangladesh Bank order 1972 for the week ended the 2nd February, 1995: Issue Department

Liabilities	Taka	Taka
Notes held in the Banking department	73,48,000	
Notes in Circulation*	6368,05,66,000	
Total Notes Issued	6368,79,14,000	
Total Liabilities	6368,79,14,000	
Assets	Taka	Taka
1 A. Gold coin and Bullion	109,28,49,000	
Silver Bullion	---	
Special drawing rights held with the International Monetary Fund	---	
Approved Foreign Exchange	3400,00,00,000	3509,28,49,000
B Taka coin	57,39,53,000	
Government of Bangladesh Securities	205,02,82,000	
Internal Bills of Exchange & other commercial Papers 2597,08,30,000		
		2859,50,65,000
Total Assets	6368,79,14,000	

*The Statement with regard to 'notes in circulation' is made without prejudice to the claims of the Government of the People's Republic of Bangladesh/Bangladesh Bank for obtaining value from the Government of Pakistan/State Bank of Pakistan in respect of Pakistani currency Notes demonitised and withdrawn from circulation.

Source: Bangladesh Bank press release

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 6.3.1995.

Berth	Name of vessels	Cargo	Last port	Local agent	Date of arrival	Lea-ving
J/1	Anh Dao	Salt(TCB)	Kand	USTC	25/2	11/3
J/3	Young Il	GI	Yang	BML	22/2	6/3
J/7	Banglar Urm	GI	Pena	BSC	2/3	12/3
J/11	Ocean Envoy	Idle	Kara	Karna	7/2	10/3
J/12	Jiu Jiang	Rice(P)	Kara	EastWest	27/2	12/3
MPB/1	Optima	Cont	Sing	RSL	5/3	8/3
MPB/2	Meng Yang	Cont	Sing	AML	1/3	6/3
TSP	Banglar Baani	R. Phos	Aqaba	SST	2/3	12/3
RM/5	Wawanan Setia	Sko/Ms	Sing	MSPL	4/3	7/3
DDJ	Banglar Jyoti	Idle	BSC	R/A	10/3	
DDJ/2	Banglar Sampad	Repair	BSC	R/A	12/3	

Vessels due at outer anchorage:

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading
Fong Yun	6/3	Sing	BDShip	Cont	Sing
Peter Staronin	7/3	Sing	CT	Cont	Sing
Banglar Robi	8/3	Sing	BSC	Cont	Sing
Do Xing Hai	7/3	Lans	RML	Cement/H Coke	Sing
Developing Road	7/3	-	Karu	Push Boats (G)	-
Suez	7/3	Lans	Jayvee	Cement	-
Fasa Supply-1	7/3	-	Karna	-	-
Farthon	9/3	-	Litmond	Wheat(G)	-
Min Jiang	8/3	-	Oil	GI	-
Safar	8/3	Hald	Aall	Rice(P)	-
Banglar Karon	10/3	Mong	BSC	GI	-
Morvadi	8/3	-	Gel	Salt (TCB)	-
Lovostva	9/3	Sing	CT	Cont	Sing
Asian Cosmos (48) 1/3	9/3	Sing	EBPL	GI/VEH/HT	-
Lanka Mahapala	9/3	Col.	Baridhi	Cont	Mong Col
Olympic Monitor	9/3	-	Litmond	Wheat	-
Handy Viking	10/3	-	Rainbow	M Seeds	-
Macao-1 (24) 26/2	10/3	-	BSC	Passengers	-
Banglar Moni	10/3	Sing	BSC	Cont	Sing
Simes	11/3	Sing	CTS	Cont	Sing
Pearl One	11/3	Kara	Cross	Rice	-
Andran Goncharov	12/3	-	CT	Cont	Sing
Lhonia	12/3	-	RSL	Cont	Sing
Banglar Maya	13/3	Mong	BSC	GI	-

Tanker due:

Name of vessels	Date of arrival	Last port	Local agent	Date of arrival
Kapitan Luce	---	BSC	---	---
Antares	6/3	Mala	Royal	C.P.O
Ilya Lorenburg	13/3	Bomb	BDShip	Lab Oil

Vessels at Kutubdia:

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Orion Explorer	-	Sing	Ila	27/2
Oceanor	-	Sing	Ila	24/2
Harvest Gold	-	Ila	-	2/3

Vessel at outer anchorage:

Ready on:

Havk	HSD	Sing	MSPL	6/3
A/1	GI	Cont	Cont	AMBI
Pine Beauty	Wheat(P)	Kala	Prog	23/2
Hua Tu	Wheat (P)	Sing	Seasont	26/2
Massy Phoenix	Wheat (G)	Sing	Prog	2/3
Banglar Anha	Wheat (G)	BSC	R/A(5/3)	
Wana Naroc	R Sulp	Puck	Seasont	4/3

Vessels awaiting instruction:

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Banglar Shousab	-	Sing	BSC	R/A(4/3)
Java Gulf	-	Sing	Karu	4/3

Movement of Vessels for 07.03.95

Outgoing	Incoming	Shifting
RM/5	W Setia	
J/13	J/3	
MPB/2	Fong Yun	

The above were the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Dhaka Stock Prices

At the close of trading on March 6, 1995

Index up by 5 points

Star Report

Business at the Dhaka Stock Exchange maintained its upward trend on Monday.

The DSE All Share Price Index rose by 4.83 points, or 0.58 per cent, increasing to 837.44034 from Sunday's 832.60843.

Total market capital rose from Taka 42.75 billion to Taka 42.99 billion.

Turnover in volume on the DSE showed a rise of 3.28 per cent and the turnover in volume increased by 88.39 per cent.

A total of 91553 shares worth Taka 29604825.50 were traded as against 88649 shares valued at Taka 15714273.00.

The number of issues traded rose to 72 from 47, in which 28 gained, 25 incurred losses and the share prices of 19 issues remained unchanged.

Singer Bangladesh experienced a gain of Taka 147.70 per share, leading the gainers in terms of value.

Eastern Housing was the top volume leader. Its 20020 shares were traded.

Other volume leaders of the day were: Square Pharmaceuticals (12061), Dynamic Textile (9620) and Bangladesh Oxygen (9551).

Trading at a glance

Company's name	Change (per share)	Number of share traded
Al Baraka Bank	5.00 (G)	7
IDLIC	0.00	360
United Leasing	0.00	240
ICB	5.00 (G)	10
2nd ICB M Fund	3.00 (G)	10
3rd ICB M Fund	3.20 (G)	50
4th ICB M Fund	5.33 (G)	60
5th ICB M Fund	4.53 (G)	170
6th ICB M Fund	2.25 (G)	720
Aftab Automobiles	42 (L)	90
Aziz Pipes Ltd	0.00	5
Bengal Carbide	20.00 (L)	8
Bangladesh Lamps	1.25 (L)	65
Eastern Cables	5.29 (G)	770
Singer Bangladesh	147.70 (G)	40
Atlas Bangladesh	1.78 (G)	540
Bangladesh Autocar	6.26 (G)	470
Quasem Drycells	4.00 (L)	10
Metalex Corp	1.00 (G)	10
National Tubes	1.00 (G)	110
B Thai Aluminium	1.30 (G)	520
Bengal Food	2.00 (G)	185
BLIC	2.55 (G)	10
BTC	2.55 (G)	1333
Rupon Oil	0.00	800
Chittagong Vegetable	1.75 (L)	10
Beximco Fisheries	29 (L)	280
Bengal Biscuit	1.25 (L)	2250
Meghna Shrimp	5.08 (L)	2520
Bangladesh Oxygen	26 (L)	9551
Shine Pakur Jute	1.68 (G)	95
Eagle Star Textile	0.03 (G)	600
Dalman Cotton	2.00 (G)	900
Talpu Spinning	0.05 (L)	20
Apex Spinning	0.00	200
Beximco Knitting	3.42 (L)	260
Dynamic Textile	3.39 (L)	9620
Mishan Corporation	0.00	260
Mita Textiles	0.00	260
B Dyeing	6.33 (L)	180
Delta Millers	73 (L)	3920
Ambee Pharma	0.00	500
Beximco Pharma	0.00	10
ACT Ltd	4.00 (G)	200
Kohinoor Chemical	1.11 (G)	305
Iba Sina	2.00 (L)	80
Rahman Chemicals	0.00	70
BCIL	0.00	80
Beximco Synthetic	4.58 (L)	2420
Libra Pharma	0.00	160
Orion Infusion	10.59 (G)	3840
Square Pharma	3.55 (L)	12061
Maq Paper	3.38 (L)	4220
Apex Tannery	91 (L)	30
Bata Shoe	2.28 (G)	4300
GQ Ball Pen	4.92 (L)	1200
Momo Ceramic	4.12 (L)	240
Modern Industries	5.00 (G)	900
Beximco Ltd	0.08 (L)	1000
Apex Footwear	9.51 (L)	370
Eastern Housing	9.49 (G)	20020
BGIC	0.00	10
Eastern Insurance	1.05 (G)	1080
Janata Insurance	43 (L)	400
Phonix Insurance	60 (L)	80
Eastland Insurance	2.03 (L)	1140
Beximco Fisheries (Deb)	0.00	10
B Pharma (Deb)	0.00	32
B Pharma (Deb)	0.00	13
IB Infusion (Deb)	0.00	2
B Synthetic (Deb)	0.00	4
Beximco (Deb)	0.00	20

DSE All Share Price Index

DSE Shares and Debentures

Company	FV/ML (Taka)	Closing Rate (Taka)	Dynamic Textile	100/20	108.61
Eagle Star Textile	10/50	10.50	15.03		
GMG Ind Corp	10/50	10.00			
Mita Textile	100/20	113.00			
Modern Dyeing	100/				