

FAO Commodity Review for '94-95

Declining global stock may put food security in LDCs at risk

LONDON, July 10: World commodity prices are projected to stabilise this year, but declining global stocks may put food security in the least developed countries (LDCs) at risk, the UN Food and Agriculture Organisation (FAO) warned yesterday, says Reuters.

The FAO said the price rises seen in 1994, which provided a welcome respite for exporting nations after a long period of depressed returns, will remain during 1995.

"The outlook for 1995 is for a consolidation of these gains... the supply-demand situation for most commodities appears to be in better balance than for some years," it said.

For developing nations as a whole, the price index of their agricultural, fishery and forestry export commodities rose by over 20 per cent last year. The biggest rises were for tropical beverages (coffee and cocoa) at 36 per cent, textile fibres 28 per cent, natural rubber 22, sugar 16 and oil seeds 10 per cent.

But these gains should be measured against falling trends seen in the 1980s and early 1990s. The FAO said 1994 prices in fact only recovered to 77 per cent of levels in the early 1980s.

Price rises have also come at a time when government intervention in world commodity markets is decreasing, leaving them more at the mercy of free-market forces.

"With growing liberalisation and fiscal austerity, governments may not in future be disposed to accumulate stocks, leaving them increasingly in private hands," Diouf said.

"By the same token, they will not be able to draw on such reserves to dampen price increases."

The review includes an analysis of the impact on agricultural commodities of the Uruguay round and states

that international trade will not be significantly affected.

It projects that average growth rate in trade will fall from 2.9 per cent a year in the 1980s, to 1.6 per cent in the 1990s, including only a small boost from the Uruguay round.

But prices by the year 2000 should be higher in real terms than in the depressed 1980s, the FAO said, adding that the recent price surge underlines the continuing volatility of world agricultural commodity markets.

The long-term price rises projected to accompany the implementation of the Uruguay round could be modest compared to the year-to-year changes expected as a result of instability which characterises commodity markets," it said.

Dollar higher in Tokyo

TOKYO, July 10: The US dollar was sharply higher against the yen Monday on technical support following Friday's coordinated intervention by the US and Japanese central banks, reports AP.

The dollar was trading at 87.45 yen at midday, up 1.51 yen from 85.94 yen late Friday in Tokyo and also above 86.80 yen in New York Friday.

The US currency extended its rise from last week on technical support, breaking through a key resistance level of 87.15 yen.

The dollar shot up against the yen in New York Friday after surprise dollar-buying intervention by the US Federal Reserve and the Bank of Japan.

Dhaka Stock Prices

At the close of trading on July 10, 1995

BCIL (Deb) price plunges

Table with 3 columns: DSE All Share Index, Market Capital Tk, Transaction in Volume, Transaction Value Tk, Total issues traded, Issues incurred losses, Issues gained, Issues unchanged.

Star Report

The share price of Bangladesh Chemical Industries Ltd (Debtenture) plunged on Monday in a continued weaker trading.

Share price of the issue dropped to Tk 1600.00 from Tk 3220.00, registering a sharp decline of Tk 1620.00.

Total transaction in volume on the floor fell by 16.14 per cent and the transaction in value showed a decline of 6.09 per cent.

A total of 140735 shares worth Tk 16.93 million changed hands as against Sunday's 121172 shares valued at Tk 18.03 million.

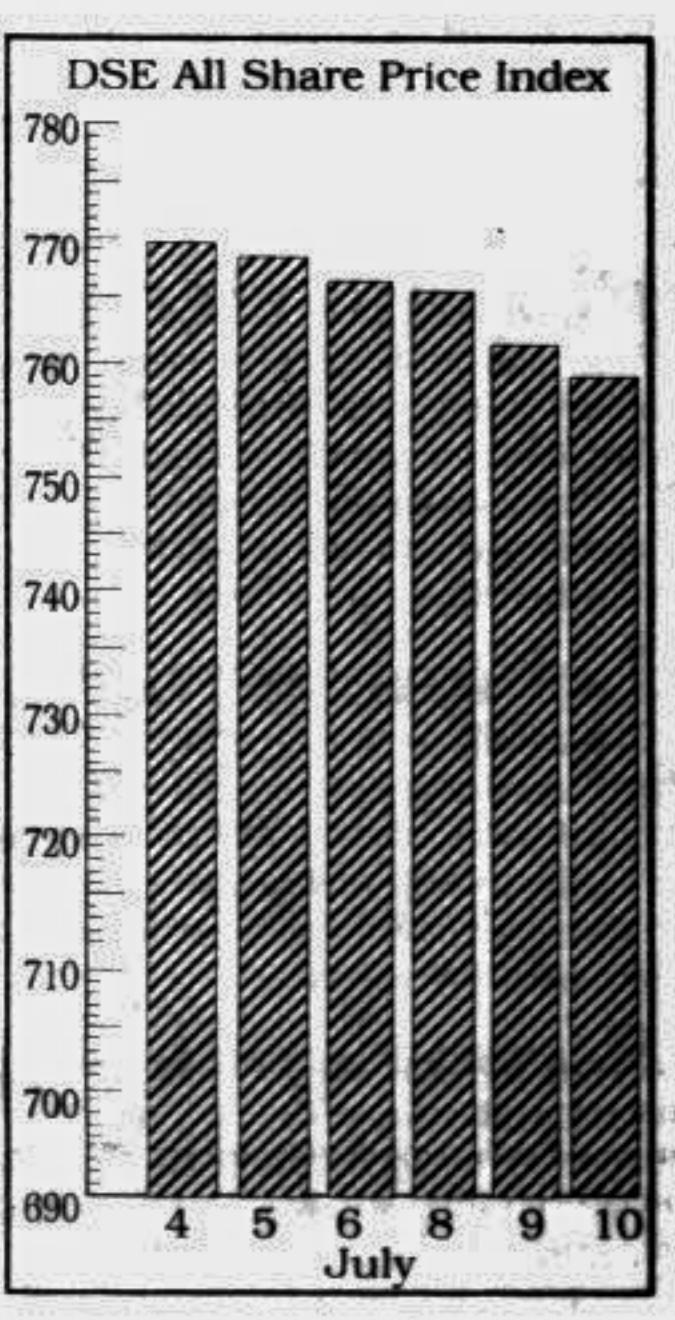
The DSE All Share Price Index continued to fall. It dropped to 759.00 from 761.56, indicating a decline of 0.47 per cent.

The number of issues traded fell from 90 to 76, in which only 20 issues gained, 41 suffered losses and the share prices of 15 issues remained unchanged.

BD Electricity led the gainers with a rise of Tk 34.43 per share.

Beximco Pharma, a loss making issue for the day, was the top volume leader. Its 37900 shares were traded.

Other volume leaders were Ashraf Textile (29050), Beximco Textiles (19836) and Apex Weaving (6145).



Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective on 10th July.

Table with columns: CURRENCY, Selling, Buying, and sub-columns for TT & OD, BC, TT, OD, and Transfer.

Indicative Rates (B. Tk. For one unit of foreign currency)

Table with columns: CURRENCY, Selling, Buying, and sub-columns for T.T. & O.D., and O.D. Transfer.

Shipping Intelligence

Chittagong Port

Table with columns: No., Name of Vessels, Cargo, L Post, Local Agent, Date of Arrival, and Leaving.

Vessels due at outer anchorage

Table with columns: Name of Vessels, Date of Arrival, Last Port, Local Agent, Cargo, and Loading Port.

Tanker Due

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, and Date of Arrival.

Vessels at Kutubdia

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, and Date of Arrival.

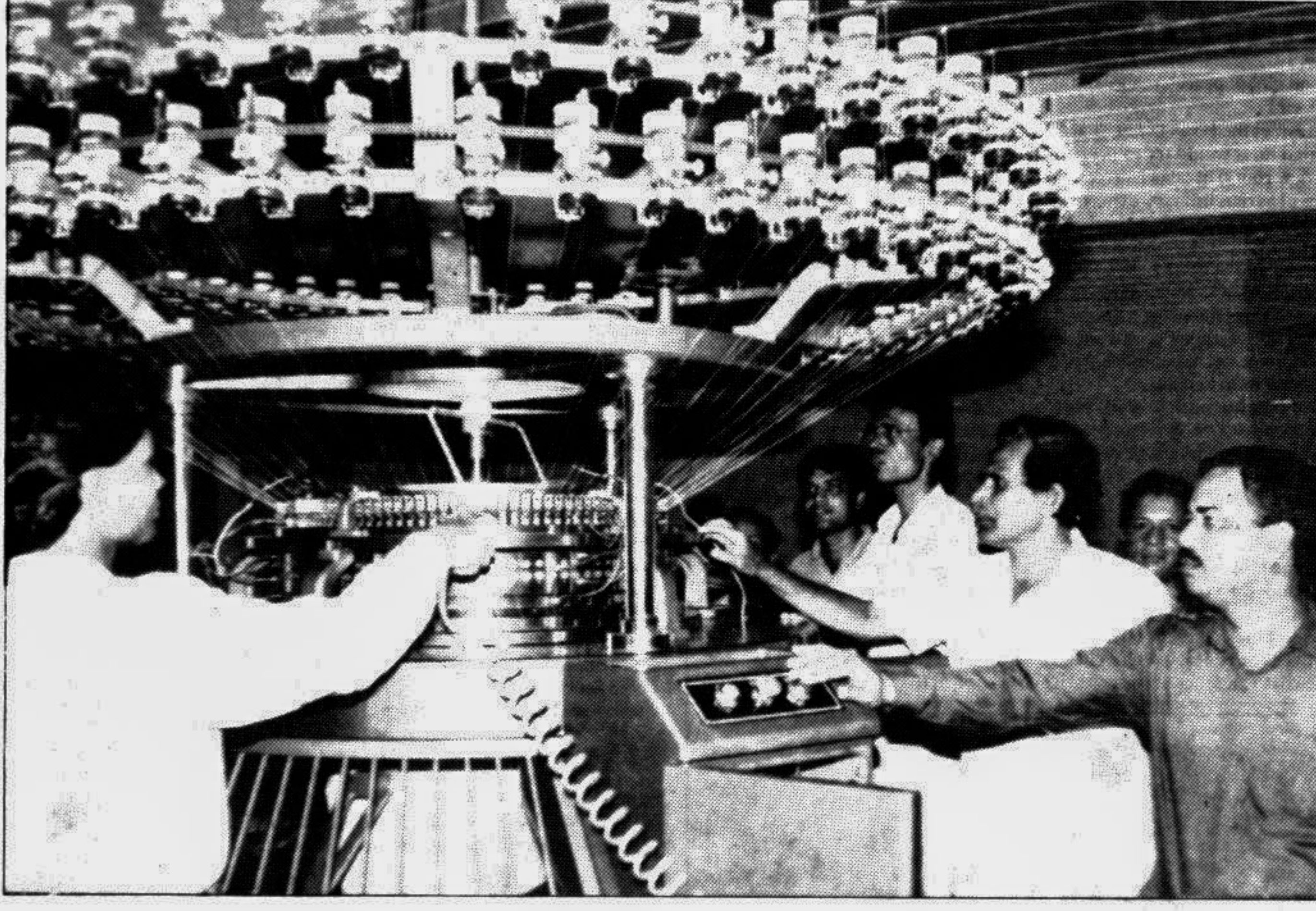
Vessels at Outer Anchorage

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, and Date of Arrival.

Vessels Not Entering

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, and Date of Arrival.

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



Display of jersey circular knitting machine at the Jatiya Press Club yesterday organised by Bishwa Bijimoy, sole agent in Bangladesh for Quantex Knitting Machinery, a Taiwanese company.

Car market in India becoming competitive

NEW DELHI, July 10: With more and more multinational cars entering India's market, car supply will be far in excess of demand and a highly competitive buyers market is expected to evolve in the coming years, official sources said here today, reports Xinhua.

Demand-supply was evenly balanced in 1994-95, with demand only marginally higher at 3,000 cars. But in 1995-96, with DCM Daewoo, General Motors, Telco, Pal-Beugeot making an entry with the Cielo, Opel Astra Benz and the Peugeot 309 models, respectively, the gap is estimated to widen to a substantial 37,000 cars.

There are some other joint ventures whose supplies have not been taken into account because details are not easily available. If their output is taken into account, the demand-supply gap will only widen further, the sources said.

Taking only the existing players' production schedules into account, supply will exceed demand by a whopping 108,000 cars in 1996-97 before coming down to 89,000 and 54,000 respectively in the subsequent two years, the same sources said.

China warned against punishing US companies over Taiwan

HONG KONG, July 10: A US business leader warned China against hitting back at US policy decisions by punishing American companies, saying the move would backfire, reports AP.

Frank Martin, president of the American Chamber of Commerce in Hong Kong, was commenting on a newspaper report that two big projects awarded to US companies would go to British and German companies instead.

Thursday's report from Beijing in the South China Morning Post said the move was to punish Washington for allowing Taiwan President Lee Teng-hui to visit the United States last month.

Martin told Hong Kong radio he had been unable to verify the report, but warned: "Any form of retaliation is very likely to backfire because of the domestic political climate in the United States."

He was referring to the anti-China mood in Congress, which played a large part in the US policy reversal that enabled Lee to visit.

"The overall relationship was on a very good track prior to this decision," he said.

Russia may modernize Indian MIG-21 fighters

NEW DELHI, July 10: India and Russia are expected to finalize a deal for modernization of over 100 MIG-21 fighters of the Indian air force, reports Xinhua.

The modernization of MIG-21 Supersonic fighters produced by India under the Soviet licence involves a complete replacement of its avionics and weapon systems, which will extend their life well into the next century, Indian air force (IAF) sources said here today.

A Russian delegation will visit New Delhi soon to sign an agreement on the subject with the Indian government, the sources said.

The two sides will finalize the financial aspects of the deal and sign a contract this month.

Beijing faces serious housing crisis

BEIJING, July 10: The ancient tiled roof and carved stone gateways lend Galar Hutong a quaint charm. But the underwear and stockings hanging by the front door are a sign of the discomforts of its inhabitants, says AP.

It is just one courtyard like millions in China, jam-packed with humanity and in a state of nightmarish despair.

The only difference is that it is fictional — the setting of a hit play that has kept Beijing's Capital Theatre packed with audiences laughing and crying over the wrenchingly accurate portrayal of the state of their housing.

In Galar Hutong, a fight erupts between a divorced man and his ex-wife, who live divided only by a curtain because neither can get new housing.

A summer thunderstorm sends residents scurrying for plastic sheeting to ward off leaks, while the local housing manager is deluged by calls from people whose homes are collapsing in the downpour.

"With any income, it would take me 140 years to be able to buy a house," wails the long-suffering official. "The government says it loves the people, but this love is too pathetic," he complains.

One resident, hoping to bully his way into better accommodations, goes after the official with a meat cleaver.

Japan has managed 17.1 square metres (185 square feet). US city dwellers enjoy an average 68 square metres (734 square feet).

While other areas of the economy have thrived on new investment, public housing has lagged far behind, starved for funds by a system that charges less than 1 per cent of most families' incomes for rent.

Subsidies, maintenance and other public housing expenses cost the government about 100 billion yuan (12 billion dollars) a year. And official figures show that more than 30 million square metres (324 million square feet) of old and dangerous urban housing urgently need renovation.

Leaky toilets and faucets, poorly fitting windows and doors that flap and shatter in the wind, rusty pipes, unvented cooking smoke and inefficient cast-iron radiators are among the complaints that Ye Ruitang, vice minister of the Construction Ministry, listed when he met with US home builders last fall.

In the quadrangle courtyards that house half of Beijing, a single outdoor water faucet often is shared by up to a dozen families, who take turns washing their laundry and their hair as visitors and vendors step through.

For decades, Chinese workers have relied on their employers for scarce low-rent housing, often waiting for years for apartments to become available.

The government began housing reforms in the mid-1980s, giving residents the option of paying higher rents or buying their apartments from their employers.

China also began sweeping Beijingers out of their hutongs to make way for swank shopping malls and new commercial apartment buildings. Many are well beyond the reach of ordinary workers, especially luxurious expatriate residences with names such as Purple Jade Villas — advertised as "The Legendary Garden of Eden now in the heart of Beijing."

Prices for such real estate start at 1,700 dollars per square metre (155 dollars per square foot). Even ordinary commercial apartments cost about 6,000 yuan a square metre (65 dollars a square foot) — well above the 500 yuan to 1,000 yuan (60 to 120 dollars) that most working class families can afford.

They make do with whatever they can find.

In Beijing, there are some 70,000 families living in housing of less than 4 square metres (43 square feet) apiece — a bit smaller than a parking space. In Shanghai, more than 400,000 do.

The Comfort Housing Project is intended to provide modest but decent accommodations to the 5.5 million Chinese households in urgent need of new housing, says Wang Zongli, director of the Beijing Municipal Urban and Rural Construction Commission.

The government plans to subsidize construction of 25 million new apartments over the next five years, in addition to earlier construction plans.

The beneficiaries of such arrangements are not always pleased with the results, though.

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DSE Shares and Debentures

Large table listing various companies and their share prices and debenture values. Columns include Company, FV/Mk, Closing Rate, and various share prices.