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BUSINESS

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DCCI team holds talks with EU Commission in Brussels

The trade and investment promotion delegation of the Dhaka Chamber of Commerce and Industry (DCCI) during their visit to Belgium met the European Commission headed by Albert Te Pass, Head of division at their office in Brussels and had elaborate discussion with the Commission regarding the EU's programme for the developing countries including Bangladesh, says a press release.

They expressed keen interest in extending their support to the emerging private sector in Bangladesh and appraised the delegation of the various instruments through which Bangladesh can avail financial and technical assistance from the EU.

In this connection they informed the delegation of the European Community Investment Partner (ECIP) through which they have already extended credit to Bangladesh Shilpa Bank which has not yet been utilised for the last five years.

They, however, hoped that the DCCI would be able to pursue the BSB in utilising this fund and helping the private sector in establish small and medium sized industries.

The DCCI delegation led by the President of the DCCI R Maksud Khan, assured the EC that the Chamber would take positive steps to make use of the funds provided by the EU are properly and timely utilised. They also assured to extend their full support and co-operation for extending the programmes and activities of the ECIP in Bangladesh.

The delegation during their stay at Belgium attended the meeting at the Federation of Belgian National Chamber of Commerce and Industries where the President of the Chamber Raymond Lacourt received the delegation and appraised them of the functions and role of the FNCCI (Federation of Belgian National Chamber of Commerce and Industries) which is the apex body having 29 Chambers as its members.

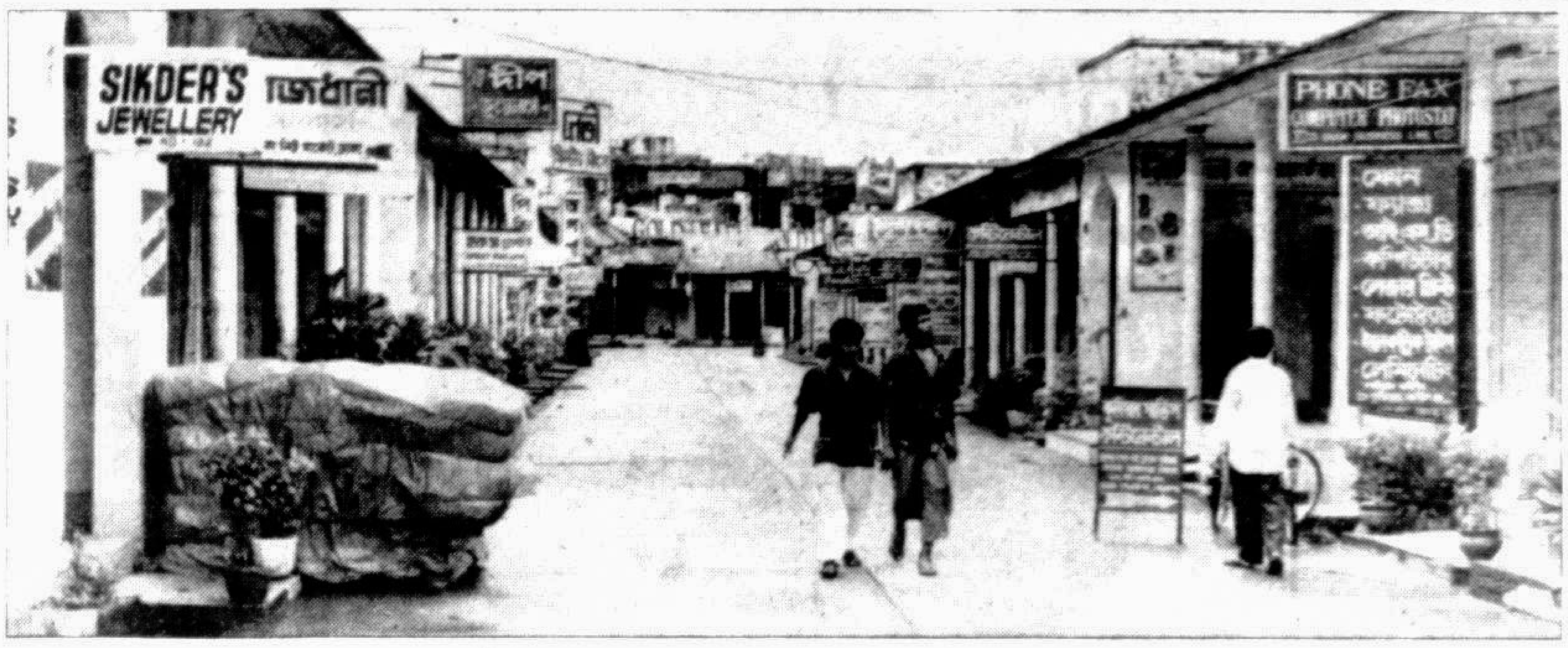
The Federation chief also assured that they would provide and exchange all sorts of support and information that the Dhaka Chamber or the business community would need. At this stage the President of the DCCI informed the FNCCI members of the role and activities of the DCCI in promoting trade and investment with foreign countries and informed them of the service facilities including E-mail services which are now available with the DCCI. Both the Chambers agreed to make regular exchange of information and publications for the benefit of their members and the business community.

On the occasion of the visit of the DCCI trade & investment promotion delegation in the Belgium a business forum on "Investment Trade opportunities in Bangladesh" was organised jointly by the Belgian Foreign Trade Office and the Embassy of Bangladesh at the World Trade Centre. The meeting registered about 300 participants from different financial institutions, chambers and trade associations.

The meeting was attended by Managing Director of the Belgian Foreign Trade Office, Mr Marc Servotte, Chairman of the EISSEAS Dr Oscar Debunne and the Ambassador designate of Belgium to Bangladesh, Mr Eric Focke and Charge d'Affairs, a .i. of the Embassy of Bangladesh, Mr Syed Shah Mohammad Ali.

The President of DCCI, R Maksud Khan chaired the seminar and presented the key note paper on the "Investment Opportunities in Bangladesh" which was very much appreciated by the participants of the seminar, this being the first ever meeting with any Bangladesh delegation it created a positive impact on the Benelux business community. Businessmen from far off places attended the seminar and took very keen interest in different projects and also showed interests in making investment in the development of the infrastructures such as power generation, telecommunication, transportation etc. The European Investment Bank officials also took part in the seminar.

In the seminar, two other papers were also presented by Masudur Rahman, deputy leader of the delegation and Sajjatuz Jumma elaborating the scopes and facilities for infrastructure development and establishment of industrial parks. Besides, papers were also presented by the Bangladesh Embassy officials including Sheikh Siraj Uddin, Commercial Counsellor.



Yesterday was the second day of the 72-hour country-wide non-stop hartal called by the mainstream opposition parties demanding elections under a neutral caretaker government. This photograph of New Market, one of the busiest shopping complexes in the city, offers a deserted look in absence of business activities that came to a grinding halt.
— Star photo

Seminar on vegetables export promotion held at BARD

A day long seminar, entitled "Vegetables Export Promotion: Problems and Prospects," jointly organised by Bangladesh Academy for Rural Development (BARD), Comilla and Export Promotion Bureau (EPB) was held on September 14 at BARD, Comilla, says a press release.

Dr Khandaker Mosharraf Hossain, Minister for Energy & Mineral Resources, Government of the People's Republic of Bangladesh attended the seminar as the chief guest. Md Akmal Hussain, Director General, Export Promotion Bureau (EPB) attended the seminar as the special guest. Md Abdul Quddus, Additional Director General, BARD, presided over the inaugural session.

About 60 participants from various government and non-government agencies associated with vegetables production, trade and export attended the seminar.

Women a major force in Lankan economy

COLOMBO, Sept 17: Women in Sri Lanka, the country that gave the world its first woman prime minister, are a major force in the economy, whether they are working as maids in the Middle East, tea pluckers in the central hills or in garment factories.

"For the last 100 years our economy has been dependent on female labour," political analysts Vinod Moonesinghe told Reuters in an interview. Tea plucking and rubber tapping was predominantly carried out by female labour."

Since the economy was opened up in the late 1970s women have been going abroad or working in garment factories on a large scale, he said.

Tea and garment exports and remittances from migrant workers are Sri Lanka's biggest foreign exchange earners.

Rubber is also one of the main agricultural exports.

Women make a very important contribution but it is not always recognised because there is very little gender disagreegated data, said Dr Swarna Jayaweera of the Centre for women's Research (Cenwor).

In 1960s Sri Lanka then Ceylon produced the world's first woman Prime Minister Sirimavo Bandaranaike, who is currently serving her third term. Her daughter, Chandrika is president.

Women make up about a third of the workforce of almost six million, but most are confined to low income time consuming and labour intensive activities, said a report on men and women in Sri Lanka's by the Census Department.

Jayaweera, one of Sri Lanka's delegates at the Fourth World Conference on Women in Beijing, told Reuters the involvement of female labour was very high in agriculture and industry, with their contribution increasing in recent years.

"Women always were in the field but it was not recognised because of the middle class Victorian concept of women as housewives," she said. "The reality is very different."

Central bank figures show that tea exports, the island's top export commodity which accounts for 60 per cent of the value of agricultural exports and 13 per cent of total export earnings, brought in 21 billion rupees (412 million dollars) in 1994.

Textiles and garments exports the island's main gross foreign exchange earner brought in 77 billion rupees (1.5 billion dollars) last year. Net earnings are much lower however, due to high imports.

Reduce budget deficit, IMF to US

WASHINGTON, Sept 17: The International Monetary Fund (IMF) called on the United States to reduce its budget deficit, saying the US currency could come under renewed pressure if the shortfall is not corrected, reports AFP.

The IMF annual report released Wednesday said the goal of fiscal consolidation should include more effective control over the growth of spending on social programmes.

Renewed pressures against the dollar on exchange markets could not be ruled out because of the large US external current account deficit and prospects it would remain large well into the medium term," the report said.

Directors hoped that additional fiscal adjustment, which would help to ensure that the process of correcting the external imbalance, would not place an excessive burden on domestic investment.

Following talks with US authorities earlier this year, IMF directors encouraged authorities to adopt measures to achieve a further substantial reduction in the deficit, beginning with the budget for fiscal 1996.

On Canada, IMF directors noted that measures announced in the February budget showed commitment by authorities to fiscal consolidation, but suggested that further measures were needed.

The budget, directors, said, would still leave federal debts and interest payments at high levels, exposing the fiscal position to adverse interest rate shocks or to an economic downturn.

They also noted there was a risk that the persistence of an appreciable fiscal imbalance could erode confidence in the government policies and lead to sharp increases in interest rates and downward pressure on the Canadian dollar.

Directors commended authorities for their efforts to bring down inflation, but noted that economic slack was being absorbed quickly, while the depreciation of the dollar and higher commodity prices could put pressure on domestic prices.

Director were also concerned that import quotas on agricultural commodities were being replaced by prohibitively high tariffs.

BRTA's collection falls in Pabna

PABNA, Sept 17: Bangladesh Road Transport Authority (BRTA), Pabna branch, incurred a loss of government revenue of about Tk four lakh in the last fiscal year, reports UNB.

Official sources said that BRTA's collection during the period was Tk 91,08,668 as against the target fixed at Tk 95 lakh.

An official on condition of anonymity said due to corruption of some dishonest officials and employees the target could not be achieved that caused huge loss to the government.

Training on cooperative development

Gono Bikash Sangstha (GBS), in collaboration with the Ministry of Land, will hold one-day training on 'Co-operative development for the landless and rootless families' who have been rehabilitated at the Adarsha Gram (40 GBS group members) at Vhelanagar and Brahmandi villages under Narsingdi sadar and Shibpur thanas under Narsingdi.

The training will be held on September 21, at Narsingdi Sadar Thana Parishad auditorium, says a press release.

US business opportunities on the rise in Middle East

NEW YORK, Sept 17: American businessmen and commercial officers from the US embassies in a number of Middle East countries held meetings here September 11 to share experiences and learn about new commercial opportunities the region offers as it moves toward a comprehensive peace between Israel and its Arab neighbours, says a USIS press release.

The meetings were part of a larger conference at which Secretary of Commerce Ron Brown and the US ambassadors to Egypt, Israel, Jordan, Saudi Arabia and Kuwait spoke about the improving political and economic conditions in the region and the US commitment to assisting American businesses find new opportunities there.

Gary Grappo, economic counselor at the US embassy in Jordan, spoke of the "tremendous transformation" which has taken place there over the past year. Between last year's peace treaty with Israel and the upcoming Amman Economic Summit, Jordan is shifting rapidly toward a new pro-business environment.

New legislation favouring foreign investment and liberalizing financial markets is being prepared and the public sector is being cut back. Such things were unthinkable, even a year ago, Grappo said.

Upcoming infrastructure projects present attractive possibilities for American business, Grappo stated. The Jordanian government has identified more than two dozen such projects, with opportunities in water, energy, hazardous material, minerals, transportation and port and airport construction.

American companies should also look to Israeli infrastructure projects, according to Barry Friedman, the senior commercial officer at the US embassy in Tel Aviv. Over the next eight to ten years, Israel plans to spend up to $18,000 million, he said, doubling electrical generation, expanding roads and the harbors of Haifa and Ashdod, and building a new terminal at Ben Gurion Airport in Tel Aviv.

The Palestinian Authority will need basic infrastructure "from the ground up," Friedman noted. Plans envision the construction of a power generation plant, port facilities, an airport and a desalinization plant, he commented.

Progress reports on the Jordan Rift Valley projects will be made available at the Amman Summit. The Palestinians also plan to release information about their upcoming projects there.

Cane-based cottage industry on verge of extinction in Narail

NARAIL, Sept 17: Cane-based traditional cottage industry is on the verge of extinction mainly due to high cost of raw materials, lack of capital and absence of government patronisation, reports UNB.

Once cane was easily available at cheaper price and cane clusters were seen in large number in almost all the villages of the district. But due to lack of planned plantation and proper care the production has come down to a great extent.

A large number people of the district were engaged in the cane industry as fulltime and part-time workers.

Basket of various types, furniture and other cane products captured the market of the district but now steel and plastic products replace them.

Markets of precious metals shine while tea, sugar, oil recover over the week

LONDON, Sept 17: The oil market, which has been languishing in depression recently, recovered its form this week after a series of positive news, reports AFP.

Traders who feared a rise in OPEC production in an already saturated market, had their minds set at rest after some reassuring comments from the oil producers' organisation.

At the same time, Iraq's return to the international markets — a prospect which was alarming traders — now seems unlikely to happen before 1996 at the earliest. And finally, there are visible signs of a pick-up in demand in the United States.

Coffee, however, plunged suddenly as heavy rains arrived in Brazil, eliminating fears of a bad harvest at the world's number one exporter.

And copper's uninspiring performance, as the metal tell to the lowest point since May was only partly offset by the rally among the precious metals.

GOLD: Shining. The price of gold advanced by five dollars to 385 dollars per ounce, on the back of speculative buying seemingly encouraged by gains in the dollar and on Wall Street. Gold also benefited from silver's strength.

SILVER: Firm. The price of the metal remained very stable around 5.50 dollars per ounce, after recent fluctuation.

The market is firmly supported by limited supply on the London physical market.

PLATINUM: Higher. The metal advanced by between five and seven dollars to 437 dollars per ounce, lifted by lower production at South Africa's Impala Platinum.

The giant platinum producer has technical problems with a refinery which is operating at only 25 per cent capacity. It is not expected to return to normal before October. The group accounts for almost a quarter of world platinum sales.

At the same time, traders are sceptical about whether Russia is capable of satisfying higher demand. The strategic higher demand. The strategic reserves which contribute a large part of Moscow's exports are not inexhaustible, even if their exact size is a closely-guarded secret.

COPPER: Collapse. Copper prices plunged following their short respite, falling below 2,800 dollars per tonne to a low since May. The reasons are the same as two weeks ago: large-scale selling by Investment Funds, which accelerated after a 1,275 tonne rise in LME stocks to 174,300.

Investors seemed to take seriously warnings by analysts of large increase in world production next year, at a time of stagnating demand. Exports by Chile, the world's largest copper one producer, are forecast to rise by 12 per cent in 1995.

LEAD: Decline. Prices fell to 600 dollars per tonne, a low point since May, under the influence of copper, despite an encouraging stocks fall of 2,555 tonnes to 220,300. The traditional autumn pick-up in demand — a time of strong battery sales — has not yet had any impact on the market.

ZINC: Lower. The metal fell by over 10 dollars to 990 dollars per tonne, its lowest point for a year.

The market was weakened by copper's plunge. The announcement of a deal between workers and management at Canadian producer Cominco, ending the threat of a strike, may also have weighed on prices.

Stocks on the LME declined by 6,625 tonnes to 753,300 tonnes.

ALUMINIUM: Shielded. A strike threat at Alcan, the giant Canadian aluminium producer, helped to shield the metal from the same losses as copper.

Aluminium did lose some ground, but only around 20 dollars to 1,770 dollars per tonne. The market was bolstered by the growing threat of strike action at Alcan's Quebec facilities, as negotiations between unions and management reached an impasse.

The continued fall in LME stocks, down 7,675 tonnes on the week to 529,200 tonnes, provided the usual support.

NICKEL: Firm. The metal held steady, between 8,450 and 8,500 dollars per tonne, supported by the encouraging prospect of a strong rise in demand in 1996 for special steel alloys for use in the construction and automobile industries.

Stocks on the LME fell by 2,580 tonnes to 62,382 tonnes.

TIN: Lower. The price of the metal declined by over 100 dollars to 6,300 dollars per tonne in the wake of copper's losses.

The meeting of the world's largest producer countries, which began on Wednesday in Bolivia, is unlikely to affect prices on the London Metal Exchange, which recently reached a three-year high.

Even if the members of the Association of Tin Producing Countries as expected decided to abandon their export limit plan, this will have only a limited impact on prices, according to analysts here.

COFFEE: Plunge. The arrival of heavy rains in the Brazilian coffee plantations, which had been threatened by drought, caused coffee prices to plunge by 12 per cent. They crashed to 2,350 dollars, the lowest point since July, before crawling back to 2,450 dollars.

Bob MaCarthur, an analyst at Merrill Lynch, explained the sudden crash by the fact that "many traders had bought up stocks before September in anticipation of damage to the Brazilian crops."

The hot and dry weather in August and into early September had ignited fears about the harvest of the world's largest producer and exporter. The coffee trees which begin to sprout this month need very humid conditions.

But the announcement at the end of last week of a return to humid weather prompted massive selling by investors on the London and New York markets, in the knowledge that the Brazilian crop was out of danger.

Some analysts explained the crash also by pointing to the growing effect of the fall in world coffee consumption, because of large increase in retail prices.

COCOA: The market was lifted late in the week by industrial buying. Prices on the London market regained some ground after a weak start, to reach over 920 pounds per tonne.

Traders were also encouraged by two separate forecasts of a deficit in world production this year, one from the International Cocoa Organisation (ICCO) and the other from the Traders E D and F Man.

The traders predicted a record deficit of 218,000 tonnes in 1994/95, while the ICCO maintained its forecast of 170,000 tonnes.

TEA: Recovery. Since the beginning of the season for Assam — the Indian high-quality teas which arrive on the market in September — buyers have shown much greater interest on the London auctions.

The price of medium quality tea advanced ten pence to 106 pence per kilogram, due to the arrival of reduced amounts of higher quality Indian leaves.

SUGAR: Recovery. The price of white sugar advanced a few dollars to 315 dollars per tonne, lifted by speculative buying in New York.

This unexpected move is difficult to explain, according to analysts. "One can merely say that prices will definitely move downwards after the end of October," one said.

The world harvest in 1995/96 will be higher than expected, according to the US Deportment of Agriculture (USDA), which revised upwards its estimate to 118.3 million tonnes.

VEGETABLE OIL: The price of vegetable oils fell back somewhat on the Rotterdam market, affected by the relative weakness of palm oil prices in Kuala Lumpur, Malaysia, and a fall in soya prices in Chicago after the USDA revised upwards its estimate for US output of soyabeans to 62 million tonnes.

The price of the oil lost three florins to 103 florins per 100 kilogramms. Palm oil fell by 10 dollars to 580 dollars per tonne, sunflower by 10 dollars to 680 dollars per tonne and rape seed by one florin to 92.5 florins per 100 kilograms.

OIL: Recharged. Sentiment altered noticeably on the oil markets, transformed from black pessimism into guarded optimism. This put a little bounce into the reference price of brent crude North Sea, oil, which approached 17 dollars a barrel.

Several good developments helped to lift the market's mood in particular a growing feeling among traders that the members of OPEC will not increase their production quota at their next meeting in Vienna in November.

Dealers were also reassured by an interview with OPEC's General Secretary, Rilwanu Lukman, published in the Arab daily Al-Hayat, in which he underlined OPEC's willingness to "preserve the stability of the oil market."

And they now hold that a return by Iraq to the oil market is unlikely before 1996 at the earliest, with Saddam Hussein still apparently firmly in power.

The unexpected announcement of a fall of 3.4 million barrels in the US crude oil reserves, and continued fears of strikes in Brazil's oil industry also lifted prices.

RUBBER: Decline. Prices fell by 60 pounds to around 890 pounds per tonne, weighed down by the prolonged absence from the buyers' market of tyre manufacturers in Europe and the US.

In another negative development, production at the US company General Tyres, a subsidiary of the German Group Continental, could be paralysed soon by strike action, according to a British trader.

GRAINS: Tense. Although outwardly calm, the European grain markets remain extremely tense because of a week global wheat harvest, particularly in North America and Australia.

In London, wheat and barley advanced by a couple of pounds to reach 113 and 107 pounds per tonne respectively. There is caution on the markets ahead of the expiry of the European Union's suspension of export subsidies in October's a decision taken because of soaring world prices.

Some exporters fear that the EU will then seek to limit exports by imposing taxes on sales to non-EU countries. For the moment, however, the EU is still freely granting export certificates, but without providing any subsidies.

In Chicago, prices were inflated again by speculators, encouraged by the prospects of sales to China. The world output, already weak, could deteriorate even further because of an unexpected plunger in the Australian crop (which will be harvested at the end of the year), after a series of frosts.

COTTON: Resurge. A downward revision to estimates for the US crop by the US Department of Agriculture (USDA) provided lift for the New York markets, which saw heavy buying by Investment Funds.

The cotton outlook indicator price (cash market) reflected this turn-around, advancing by four cents to reach around 0.90 dollars per pound.

WOOL: Flat. Prices held steady at last week's levels, before moving slightly forward to 485 pence a kilogram on the British market.

The Australian market, the world's largest, remains weak in this early part of the season, because of large sales of Australian wool stocks and the prolonged absence form the market of China, which according to some analysts is buying up Russian wool at bargain prices.

According to the International Wool Secretariat, Russian wool exports to China shot up to 159.7 million kilograms in 1994 from a mere 7.1 million in 1993.