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DHAKA MONDAY, JANUARY 22, 1996

## Bangladesh to get Tk 35 cr Norwegian grant

Bangladesh will receive Norwegian kroner 49.554 million (equivalent to Taka 35 crore approximately) from Norway as grant for small enterprises development project under an agreement the two governments signed yesterday in the Economic Relations Division (ERD), according to an ERD press release, reports BSS.

The main purpose of the project, under the banking division of the Ministry of Finance is to promote economic and social development of the people of greater Faridpur and Mymensingh districts by providing credit to the small scale entrepreneurs engaged in different types of income generating activities.

The credit operation of the project envisaged to continue upto the year 2000 would be executed through the Agrani Bank, it said.

AKM Rezaul Rahman, Joint Secretary, Economic Relations Division, Ministry of Finance and Berit Fladby, Charge d'Affaires, Norwegian Embassy in Dhaka signed the agreement on behalf of their respective governments.

## Asia's largest rly station in Beijing opens

BEIJING, Jan 21: Asia's largest railway station became operational here today with the inauguration of the 600 million dollars project by Chinese Premier Li Peng in the capital's southwest, reports PTI.

The first train to roll out of the Beijing station at 0800 hours this morning was the Mao Zedong train, bearing on its front a large metallic image of the late Communist leader.

Speaking at the inaugural ceremony, Vice Premier Wu Bangguo said this is a major achievement in railway construction under our eight five year plan (1990-1995) and an important success in the modernisation of the capital, reports the Xinhua news agency.

## Rapport training course for CARE officials ends

A week-long management training course for the mid-level officers of CARE-Bangladesh was concluded at Bangladesh Public Administration Training Centre (BPATC) at Savar on Friday, says a press release.

Organised and conducted by Rapport Bangladesh Limited, the course was participated by 21 project officers of five different projects drawn from various parts of the country.

The Principal Trainer was M. Mosharraf Hossain, Managing Director of Rapport Bangladesh Limited.

A number of senior faculty members of BPATC delivered lectures on various topics.

The programme devoted to subjects like management, communication, leadership, team-building and time management.

A number of modern training methodologies like group work, case work, film show, presentation skill and role play were followed for effective learning.

## Work on Thai-Lao road to begin next month

BANGKOK, Jan 21: Work will begin next month on a road across Laos that, when ready in two years, will help open up the hermit nation and provide the first ground link between Thailand and China, a news report said yesterday, says AFP.

The 250-kilometer (155-mile) toll road will begin at Huayxay in Bokeo province opposite Chiang Rai, Thailand, 800 kilometers (500 miles) northeast of Bangkok, the Bangkok Post quoted a senior Laotian official as saying.

It will end at Luang Namtha in northwestern Laos on the border with China, Leuan Sombounkhanh, Deputy Chairman of Laos' Committee for Planning and Cooperation told a chamber of commerce seminar Friday in Chiang Rai.

He said there is an existing road part of the way, but much of it is unsealed and becomes unusable during the rainy season.

The work will be carried out by the Economic Quadrangle Joint Development Corp, a joint Thai-Laotian operation. Bridge construction will start in February.

## Dhaka-Islamabad trade may rise

CHITTAGONG, Jan 21: The volume of trade and investment between Bangladesh and Pakistan would be increased further in the future, reports BSS.

This was disclosed by the visiting leader the trade delegation of Pakistan Sheikh Jameel Mehbub when he met the members of Chittagong Chamber of Commerce and Industry (CCCI) at the CCCI auditorium here yesterday.

The leader of the delegation said Pakistan would largely import tea, jute and jute products, betel leaf and handicrafts from Bangladesh.

He further said that Bangladesh is rapidly marching toward economic growth. He further informed the CCCI members that a display centre of Pakistani goods is being set up in Dhaka.

He urged the Bangladesh counterpart to set up similar display centre of Bangladeshi goods in Pakistan.

Earlier, welcoming the trade delegation, CCCI President Sarwar Jamal Nizam elaborated the present government's free import and liberal investment policy.

## S African gold output set to slide to new 40-yr low

JOHANNESBURG, Jan 21: South African gold output is set to slide to a new 40-year low in 1996 with plunging output at Freegold, the world's biggest gold mine, more than offsetting gains elsewhere, industry analysts said yesterday, reports Reuter.

Mining giant Anglo American has said that five shafts would close this quarter.

It forecast a 16 per cent fall in output to 78 tonnes.

"The downward revision in gold output from Freegold will obviously impact negatively on overall 1996 production," said Simon village, gold analyst at Simpson McKie James Capel.

"However, increases at some other mines will partly compensate for a portion of the shortfall," he said.

As a result, village now predicts national gold output of around 518 tonnes in 1996 against an estimated 524.5 tonnes in 1995. Previously, he was looking for 1996 output of 525 tonnes.

Nick Goodwin, analyst at Fedsure Asset Management, agreed production was likely to dip again in 1996.

## Cambodia rejects \$60m foreign investment

PHNOM PENH, Jan 21: The Cambodian government has turned down a 60 million dollars foreign investment project because it would involve importing industrial waste to generate electricity, Second Premier Hun Sen said Saturday, according to AP.

A Singaporean company, International Telesis, recently submitted a proposal to set up a garbage-burning generation plant in Si-hanoukville.

## ADB, Exim Bank loans for Indian infrastructure projects

NEW DELHI, Jan 21: Three Indian financial institutions have signed a 600 million dollar loan agreement with the Asian Development Bank and the Exim Bank of Japan to finance infrastructure projects, it was reported yesterday, according to AFP.

They are the Industrial Credit and Investment Corporation of India (ICICI), the Industrial Finance Corporation of India (IFCI) and the Shipping Credit Investment Corporation of India (SCICI).

ICICI will get 300 million dollars, while IFCI and SCICI will receive 200 million dollars and 100 million dollars respectively.

The loans can be taken at either a floating rate, a fraction of one per cent above the Libor (London inter-bank rate), or a fixed rate of about six per cent, the Business Standard said.

The Asian Development Bank and Exim Bank decided to operate through the three Indian institutions because it would have been costly for them to assess and monitor small projects, officials said.



Kuwait Airways held a one-day workshop for its Dhaka staff on Saturday. 20 staff members attended the workshop which was conducted by Saashi Desai, Marketing Training Superintendent of Kuwait Airways.

## Board meeting of National Tea Co

The 294th meeting of the Board of National Tea Company Limited was held at its registered office in the city on Saturday, says a press release.

Chairman of the company, Mohd A Harris Chowdhury, presided over the meeting. Various programmes of the company were discussed elaborately at the meeting.

## US ready to threaten trade bans against China

LOS ANGELES, Jan 21: The United States is ready to threaten massive trade sanctions against China for failing to curb its piracy of videotapes, compact discs and computer software, the Los Angeles Times reported Saturday, according to AP.

The US government also would block China's entry into the World Trade Organization, which governs global commerce, the Times said, citing US officials it did not identify.

## UN-Iraq oil talks likely to lower price

SINGAPORE, Jan 21: Oil prices are expected to open lower in choppy, volatile Asian trade on Monday following news Iraq had agreed to hold talks with the United Nations on an oil-for-food plan, traders said yesterday, reports Reuter.

The price reaction, however, could be limited as the Asian market tended to get its lead from the western markets and details of the talks remained vague.

Oil traders here were adopting a cautious stance.

It will be premature to say Iraq oil will return to the spot market just because Iraq has agreed to enter talks with the UN," said one oil trader with a local company.

"The resumption of UN-Iraq talks has been partially factored into the market."

"Technical progress in these negotiations is not the same as political movement and traders have to be careful not to assume Iraqi oil will enter the market soon," an oil analyst with a US investment Bank said.

"Regardless of progress of the technical discussion... the politicians in Washington and Iraq must sign off on any agreement, as must the UN secretary-general and the permanent Security Council," the analyst said.

UN Secretary-General Boutros Boutros-Ghali had invited Iraq to begin talks on 1995 Security Council resolution which allows Iraq to sell up to 2 billion dollars in oil over six months to buy food and medicine. The resolution can be renewed and possibly renegotiated after six months.

Now that Iraq had accepted the invitation, Boutros-Ghali hoped the talks would begin in New York as soon as possible, chief UN spokeswoman Sylvana Foa reported.

Traders in Asia said the price of international benchmark crude, the West Texas Intermediate (WTI), was poised to fall below 18 dollar per barrel and might even test crucial support level of 17 dollars per barrel when a firmer date for the talks receded.

Mid-January March WTI fell to a low of 17.63 dollar per barrel on January 16 on news of progress in the UN-Iraq impasse. Prices later recovered on Iraq's denial of its willingness to resume talks.

Prices of refined oil products in Singapore were expected to mirror potential losses in crude oil price.

As of Friday, prices of diesel in Singapore were around 24 dollar per barrel, while jet-kerosene price was at 29.50-29.80 dollar per barrel on a free-on-board basis. Prices of high sulphur fuel oil prices were around 117 dollar per tonne.

Prices of naphtha, a feedstock for most Asian petrochemical plants, were expected to fall fastest with crudes. Traders saw a potential slide of one dollar per barrel to below 16 dollar per barrel.



M Mosharraf Hossain, Managing Director of Rapport Bangladesh Limited (sitting on chair 2nd from right) seen with participants of management training course for CARE-Bangladesh organised by Rapport Bangladesh Ltd at BPATC.



A three-day workshop on 'Improvement of National Accounts Estimation' organised by Bangladesh Bureau of Statistics (BBS) began at CIRDAP Conference Room yesterday.

## Prices of gold, tea rise, oil fall, sugar fluctuate over week

LONDON, Jan 21: Sugar continues to baffle investors, this week experiencing a series of ups and downs as the market lurched higher, then lower, and finally bounced back as importers rushed to buy the product at bargain prices, reports AFP.

A spectacular crash in sugar prices has been predicted by experts for the past six months, but the white sweetener has clung obstinately to the heights.

Analysts have repeated endlessly that dark clouds are hanging over sugar, with the prospect of a huge surplus in world supply, but the market prefers to ignore these doom-laden warnings.

Among other commodities, coffee and cocoa both had a good week, although trading was nervous at times.

Grains, meanwhile, were in an indecisive mood while the vegetable oils fell sharply in price.

Crude oil also had a troubled time, as prices dived on prospects of a partial return to the international market of Iraqi oil.

**GOLD:** Still Strong. After a brief and timid foray to the 400 dollars per ounce mark last week, gold held firm level this week, between 395 and 399 dollars per ounce.

Cuts in German, French and British interest rates this week were all a step in the right direction for gold, according to the GNI trading house. The cuts may spark a rise in European inflation and cause more investors to seek refuge in precious metals.

**SILVER:** Dependent. Silver has lost a good deal of its independence with the dazzling display of gold in recent weeks. The price of silver hardly shifts without prior changes in gold. Silver held between 5.4 and 5.45 dollars per ounce.

**PLATINUM:** Likewise. The story was the same for platinum, which was content to mirror changes in gold. Its price held between 412 and 418 dollars per ounce.

**COPPER:** Fluctuation. The metal began the week on a black note, with a crash in copper prices on London Metal Exchange (LME) caused by worrying prospects of booming production.

The metal plunged on Monday to 2,447 dollars per tonne, a low point since November 1994. At British trading house Rudolf Wolff, expert William Adams commented that "with the onset of a production surplus, copper prices are likely to dive."

LME stocks advanced 11,775 tonnes over the week to 342,450.

**LEAD:** Higher. Dragged lower early in the week by copper's crash, lead then staged a recovery, ending at around 715 dollars per tonne, on the back of nickel's rally.

A fall of 5,425 tonnes in LME stocks to 120,375 tonnes also gave the metal a boost.

**ZINC:** Recovery. Like its brother lead, the metal was back on form, with prices reaching more than 1,050 dollars per tonne, boosted by nickel. Stocks on the LME rose modestly by 684 tonnes to 41,790 tonnes.

**ALUMINIUM:** Weak. The price of the metal slipped as production accelerated and reserves piled up. A sharp rise of 31,050 tonnes in LME stocks, which now total 633,350 tonnes, threw a cloud over the market.

Prices fell by some 20 dollars to around 1,590 dollars per tonne, with production increase announced almost everywhere.

**NICKEL:** Takeoff. The price of the metal soared by 500 dollars this week to peak above 8,200 dollars per tonne, largely due to technical purchases.

Stocks were very low on the LME, at just 41,790 tonnes (down 684 tonnes). The slightest hitch in supply would disrupt the market.

**TIN:** Regular. The metal held firm at around 6,300 dollars per tonne, as it has for several weeks now, not even influenced by the surge in nickel. Stocks rose by 245 tonnes to 11,680 tonnes.

**OIL:** Weak. Despite sharp falls last week, the price of crude oil slipped further. It is no longer the weather in the United States, but rather Iraq that has hit the market.

The price of Brent North Sea crude fell to 16.60 dollars per barrel Wednesday, its lowest point since November.

**RUBBER:** Calm. Latex showed little change, with a London price hovering between 1,055 and 1,070 pounds per tonne. The price slipped at week's end with the announcement of plentiful supplies in Indonesian, Malaysian and Thai warehouses, the world's three leading producers.

**COCOA:** Rebound. The price of the tropical beans shot up by some 15 pounds to 930 pounds per tonne, as sales by Ivory Coast dried up.

In recent weeks, sales on the forward market for the 1995/96 harvest of the world's leading producer helped drive prices down. But the country has already placed 180,000 to 200,000 tonnes of its production on the forward market, according to one producer, and will henceforth limit its activity on this market.

**COFFEE:** Upsurge. Dealers focussed their attention on the meeting of producer countries in Brazil. In an attempt to drive prices up-

wards, delegates agreed to a temporary export freeze on raw coffee and a more efficient method to calculate the export limitation plan that is already in operation.

The prospect of a new limitation plan looks increasingly likely. Prices rose slightly, with robustness of 25 or 50 dollars to more than 1,825 dollars per tonne.

The market was also hit by frosts that struck plantations in Mexico, the world's sixth exporter. The damage caused by the cold has not yet been calculated but "yields will certainly fall," according to the GNI trading house. Coffee bushes are particularly sensitive to frost.

Torrential rains have already ravaged plantations in the southern state of Chiapas, where the 95/96 harvest is expected to be down by 40 per cent. The same storms hit Guatemalan plantations, where the harvest is expected to fall by seven per cent to 2.7 million sacks (60 kilos each).

**TEA:** Active. Demand reawakened on the London auction market, where east African consignments commanded high prices. In particular, Kenyan high and mid-quality teas benefitted from the surge.

Assam teas from India also enjoyed increased purchases. Average prices rose 6.5 pence to 106.5 pence per kilo.

**SUGAR:** Ups and downs. Sugar had a stormy time early in the week, first soaring to a high of 350 dollars per tonne before crashing back to 338.7 dollars per tonne.

The big US investment funds were partly behind these wild fluctuations. After large-scale purchases, selling swept through the New York and London markets - partly inspired by weaker-than-ex-

pected Chinese imports - which caused a plunge in prices.

But later in the week, healthy buying on the cash market from importers drawn by the cheap prices gave the market some momentum.

Morocco, Tunisia and Iran took advantage of the bargains on offer, while Jordan, Egypt and Turkey made enquiries about possible orders.

This pushed sugar prices up again to nearly 347 dollars, a relatively high level.

**VEGETABLE OILS:** Decline. The prices of vegetable oils on the Rotterdam market continue to retreat following the rally at the end of last year.

This decline was hastened by the plunge in soy prices on the Chicago futures market mid-week.

US traders had welcomed the announcement from the US Department of Agriculture (USDA) of a significant drop in US soy stocks. But this news was accompanied by disappointing data for wheat, which pushed the grain lower, dragging soy in its wake.

In Rotterdam, the price of soy lost almost a guilder to 88.75 guilders per 100 kilograms.

Heavy rains are threatening part of the Brazilian harvest, an ironic situation, considering that one month ago the South American crops were suffering from drought. This helped to boost soy seed prices, but the oil price did not gain any support from this.

Palm oil also fell sharply, like soy, by more than 40 dollars to 507.5 dollars per tonne, undermined by nervous traders on the Kuala Lumpur market, the main exchange in the world for this oil.

Sunflower lost 30 dollars to 605 dollars per tonne and groundnut oil retreated 15 dollars to 950 per tonne.

Rapeseed oil fell 1.5 guilders to 88 guilders per 100 kilograms.

**GRAIN:** Uncertain. The long-awaited report by the United States Department of Agriculture (USDA) on the state of American farms, the world's leading grain producers, left the Chicago market reeling.

While general figures were in line with market expectations, an announcement of the amount of land sown with winter wheat sent a cold shiver through dealers.

They were also hit by the fact the USDA did not confirm a sale of American wheat to China. But their worries did not last long and prices soon rose, this time thanks to the weather.

On the European market, prices remained inactive, between 122 and 115 pounds per tonne for British wheat and barley, up slightly by one pound.

**COTTON:** Nervous. The American forward market for this fibre was extremely edgy ahead of USDA estimates on the size of America's harvest, the largest in the world. Speculative fever first pushed prices up, then pulled them down.

But an unchanged figure of 18.24 million bales (217.7 kg) for the 1995 US harvest finally left dealers weary-eyed. On the cash market, the cotton outlook Revue Index fluctuated between 85 and 86 cents per pound.

**WOOL:** Resolute. The market continued its slight rise, thanks to the return of Asian buyers to the Australian market. British auction house prices rose six pence to 450 pence per kilo.

## 3-day workshop on accounts estimation begins

A three-day workshop on "Improvement of national accounts estimation" organised by the Bangladesh Bureau of Statistics (BBS) started at the CIRDAP auditorium in the city yesterday, says a press release.

The workshop was inaugurated by Ataul Haq, Secretary of Statistics Division, Dr Tawfik-e-Elahi Chowdhury, Executive Chairman of Board of Investment presided over.

A number of participants from Bangladesh Bank, Planning Commission, Bangladesh Institute of Development Studies (BIDS), University of Dhaka, Jahangir Nagar University, Asian Development Bank (ADB), United Nations Development Programme (UNDP), World Bank and other organisations are taking part in the workshop.

In his inaugural speech, Ataul Haq explained in brief the objectives of the workshop and also highlighted the endeavour of BBS undertaking for implementation of the system of national accounts 1993 introduced by the United Nations.

### Japan's economy heading for recovery

TOKYO, Jan 21: The Bank of Japan (BOJ) will state in a report next week that the country's economy is heading for recovery, citing upturns in industrial production and machinery orders since October, a major economic daily said yesterday, reports AFP.

The central bank's assessment will be in step with the latest verdict by the economic planning agency, issued last week.