

Shrimp export thru' Mongla Port rises

KHULNA, July 14: Shrimp worth of Tk 638.83 crore was exported through the Mongla Port in the 1995-96 fiscal which is Tk 92.80 crore more than the previous fiscal year, reports UNB.

Official sources said the amount was earned in the current fiscal year by exporting 29,997,456 pounds of Shrimp. In 1994-95 fiscal, authority exported 27,909,756 pounds of Shrimp from which Tk 546.02 crore were earned. Shrimp is being exported to some 20 countries including USA, Germany, Singapore, Arab Emirates, Belgium and Saudi Arabia through the Mongla port.

BB bills' auction results

The 86th auction of the 91-Day Bangladesh Bank Bill and the 16th auction of the 30-Day Bangladesh Bank Bill were held yesterday, says a press release.

Twelve bids for a total of Tk 127.00 crore and 14 bids for a total of Tk 92.00 crore were offered respectively against the 30-day and the 91-day bill. Of which, all bids against the 30-Day Bill and 10 bids for a total of Tk 38.00 crore against the 91-Day Bill were accepted.

The weighted average prices of the accepted bids of the 30-Day and 91-Day bills were Tk 99.42 and Tk 98.15 per 100 Taka respectively. The corresponding yields are 6.96 per cent and 7.55 per cent per annum.

Indian state govts-fertiliser industry row likely

NEW DELHI, July 14: A conflict of interests seems to be on the cards between state governments and the fertiliser industry over fixation of selling prices of decontrolled fertiliser after the recent enhancement in adhoc subsidies, reports PTI.

Barely days after the prime minister, HD Deve Gowda, doubled subsidy on di-ammonium phosphate (DAP) and substantially increased its other nutrients, various state government have started fixing prices, whereby industry's realisation would be lower, the Fertiliser Association of India (FAI) says.

The state government have no expertise in fixation of prices of decontrolled fertiliser. They are arbitrarily fixing low prices under local populist pressures without taking into account the reasonable cost of production and distribution, FAI Director General Pratap Narayan told PTI in an interview.

As a result of these prices it would not be feasible for either producers or importers to supply DAP and the farmers would be left without the benefits of the enhanced subsidies, he said. Pointing to the contradiction in the arguments of the centre that it could not fix the prices of decontrolled nutrients, the FAI official asked "if the centre cannot fix the prices then how the state governments have been allowed to do so. Why the states should be left free to twist the tail of the industry?"

However, the DAP producers would suffer a loss of 800 rupees a tonne as they were forced to sell at prices being fixed by the state governments.

Zillur Rahman addresses seminar
High priority given to agriculture, rural development

Minister for Local Government, Rural Development and Cooperatives Md Zillur Rahman has said the present government under the leadership of Prime Minister Sheikh Hasina has placed high priority to agriculture and rural development, reports BSS.

Development of physical infrastructure in the rural areas is one of the important components of rural development, he said adding the "strategy for rural development" of the government deals with physical infrastructure such as roads, markets, storage facilities and minor irrigation.

Rahman who is also the Deputy Leader of the House was inaugurating a seminar on "Bangladesh rural infrastructure strategy study" at a city hotel yesterday.

Chaired by Sayed Alamgir Farouk Chowdhury, Secretary, Local Government Division, the inaugural session of the two-day seminar was also addressed among others by Alhaj Syed Abul Hossain, State Minister for LGRD and Cooperatives, Pierre Landell Mills, Chief of Resident Mission, World Bank, Bhanupol Horayangura Chief of ADB (Asian Development Bank) Mission and Representatives of several donor countries.

Rahman said in view of

widespread poverty and also of the fact that over eighty per cent of the people living in rural areas, majority of whom remaining unemployed for a considerable period, the emphasis of the government was to create income generation activities and sustain economic development in rural areas. He said physical infrastructure specially road network on the one hand acts as a catalyst in the socio economic development of the country and on the other hand, socio-economic development generates demand and accelerates market forces.

The government, the minister noted that after realizing the importance of rural infrastructure development and its critical role in promoting and integrating economic development through creation of physical facilities, has set some definite objective and policies to facilitate development of physical sector, to maximise the utilisation of road network assets and to ensure accessibility in the rural areas. He said to ensure agriculture development, supportive physical infrastructure will remain as most devious mechanism for the prosperity of Bangladesh.

Rahman said past experience suggests that investment in roads and growth centres

have positively contributed to improve agricultural productivity. Development of roads and centres have increased farm and non-farm employment and income, especially for the rural poor and women, he said.

The LGRD and Cooperatives Minister said with growing demand and changed socio-economic circumstances and also the constraints of resources, it is high time to find appropriate and cost effective methods of introducing alternative and low cost solutions for the physical infrastructure development.

Stating that physical infrastructure development is very important in present government's pursuit, he said the administration is committed to develop rural Bangladesh based on growth and social equity.

Rahman hoped that the seminar would come up with distinct proposals to enhance effectiveness and sustainability in addressing physical infrastructure development of rural Bangladesh.

State Minister for LGRD and Cooperatives Syed Abul Hossain while addressing the seminar as the special guest said rural poor would be at the core of all development activities and that backward and neglected areas would receive preferential treatment and vil-

lages would be the focal point of such activities.

He said present government believed that rural infrastructure improvement is one of the preconditions for socio-economic development of the country whose economy is basically based on agriculture. He further said that it has been proved that infrastructure improvement greatly alleviates poverty and generates and enhances income.

World Bank Mission Chief stressed that unless rural infrastructure like road networks are improved, the farmers cannot reach their produce to markets and sell those. Poor roads create impediment for them to obtain seeds and fertilizer much needed to raise production, the mission chief said, adding rural poverty cannot be removed without improving rural infrastructure.

Representatives of various donor countries in their speeches mentioned salutary effects of rural infrastructure in alleviating poverty and improving condition of people in rural areas.

The seminar has been split into three business sessions and is being attended by representatives of the government and non-government organisations and agencies.

Peregrine Investments set to bring in huge money

By Inam Ahmed

Peregrine Investments Holdings Ltd a leading investment bank in Asia, is set to bring in a couple of billion dollars in corporate financing from investors round the globe for infrastructure development and other projects, revealed officials.

"We are in the process of raising some hundreds of million dollars in the next two years in joint venture projects and we also plan to bring huge capital anything crossing the billion dollar mark for infrastructure financing," said Runa N Alam, Managing Director of the Peregrine, Bangladesh office.

"Some of the projects where joint venture funds will be coming have already been identified," she told The Daily Star at the local office of the Hong Kong-based bank here. "We are definite that some hundreds of million dollars will be flowing into Bangladesh for these projects."

Peregrine has been in full-fledged operation for the last two months with a team of 25 highly experienced officials some of whom have worked in Wallstreet and the City of London.

"Our estimate is that the country will need some eight billion dollars in infrastructure financing for telecommunications, power and port development and we aim at bringing a large part of it," she observed. There are companies intending to get involved in these sectors and we are negotiating with them."

Talking about the changing scenario of investment in the region, she said financing for infrastructure projects was raised in the past though governments or multilateral agencies.

"But now funds are coming from private sources, and we do the intermediation for joint ventures through our global network," she said.

Explaining the functioning of Peregrine, Runa said the three wings of the bank - Corporate finance, research, and sales and brokerage - work together in a fashion to meet the long term growth strategy of a company willing to take Peregrine's assistance.

While the company looks after the management strategy, the corporate finance department of Peregrine decides the strategy of meeting fund requirement of the company on a long term. It decides when to float public shares to get funds, when to engage in joint ventures to raise funds, when to

collect private funding and so on.

The sales and brokerage department handles the floating of shares of the company and guides the fund-managers.

The research department works both ways, feeding information to the corporate finance department and the sales and brokerage department.

Explaining the presence of Peregrine here, she said the country is now at a point where it can expect rapid growth because more and more international fund-managers are looking at Bangladesh for investing.

"We will be giving them professional expertise and high compliance," said Runa adding that fund-managers can not risk money without professional guidance.

Talking about her experience about the one year of presence in the country, she said it is a pre-emerging market about to emerge any time.

"Our first year's experience was good, with political stability it will be better," she said.

"Bangladesh is in a very good position right now to attract funds because it offers some special facilities which India can not," Runa said. For example, hundred per cent foreign participation in any sector excluding defence, logging and railway is allowed here while in India, there are set rules for domestic participation in foreign investments.

"Investment in Bangladesh is much easier," she reflected. "While those economies offer tough competition."

Talking about the Dhaka's stock market, she observed that a computerised trading system and a central clearing house system should be put in by the next couple of years to ensure transparency and efficiency of the market.

The capital market is still volatile because of the nature of investment where 70 per cent are small investors and only 30 per cent are institutional investors, but in the other way round, she maintained. "Generally individual investors put money based on rumours and guess, but professional investors do it on the basis of long term analysis," she explained. "That is why they do not get scared by any temporary upsets in market and withdraw money causing any crash. Institutional investment will benefit both the market and individual shareholder."

'Dhaka can earn a lot through software export'

The country has a bright prospect of earning huge foreign exchange by exporting software to the developed countries by setting up high-tech software industry, reports UNB.

It was stated by an expert at a seminar on "state of art in microprocessors and their industrial application," at the Bangladesh University of Engineering and Technology on Friday.

Dr. Rafiquzzaman, Professor of Electrical and Computer Engineering, California State Polytechnic University, USA, addressed the seminar organised by the Institute of Electrical and Electronics Engineers, Bangladesh.

Dr. Zaman, who is also an expert member of the Computer Science and Engineering Department, BUET, said in a question-answer session of the seminar that the government should take initiative to develop computer professionals with that aim.

He suggested the government to introduce computer learning at secondary school level in country's education system to meet the growing demand of computer professionals in the country as well as in the world.

New BTMC chairman



M. Anwarul Haque has taken over the charges of Bangladesh Textile Mills Corporation, says a press release yesterday. Prior to his present assignment, he was working as Joint Secretary of the Ministry of Industries.

During his service tenure, he held many important posts.

UAE to set up \$3b warehouse

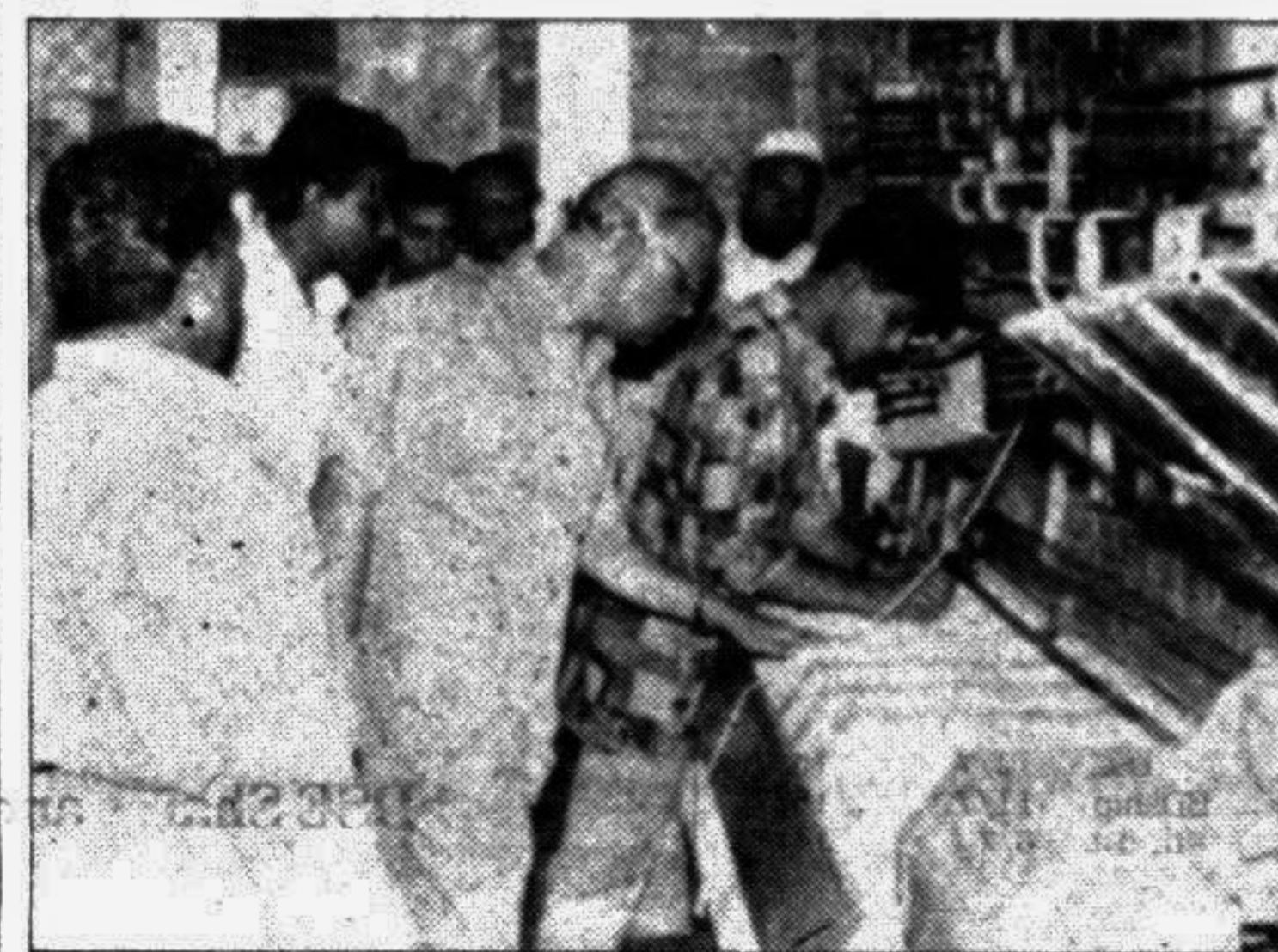
ABU DHABI, July 14: World investors seeking cheap labour and materials will likely be attracted to the gulf by a giant island warehouse to be set up by the United Arab Emirates (UAE), experts said Friday, reports AFP.

The three billion-dollar project off Abu Dhabi is the first free Zone in the Middle East to include storage of basic commodities, which will combine with abundant energy to make industrial projects highly feasible.

Officials said turning the 35-square-kilometre (14 square mile) Saadiyat island into a free storage zone would take around three years and the project involves building an airport, a new port, warehouses and other facilities.

In the long run, there will be various trading floors and exchanges and the island will be linked to the mainland through a six-kilometre (four mile) causeway.

"Given its advanced services and the competitive prices of its products as we announced, the zone will attract investors from inside the UAE and outside it and will largely increase the inflow of capital," said Al-Asumi, Chief Economist at the State-controlled Emirates Industrial Bank.



Md Abdus Samad, Chairman of BSCIC, who visited a running torri-towel producing unit at BSCIC Industrial Estate, Nizkunjara, Chhagalniya in Feni, expressed satisfaction at the standard of goods made in the unit.



A three-day Continuing Professional Education (CPE 96) organised by the Institute of Cost and Management Accountants of Bangladesh concluded at ICMA Bhavan in the city on Saturday with Chowdhury Hafizur Rahman, President of the institute, in the chair.

APEC meet begins today
US for quicker free trade in information technology

CHRISTCHURCH, New Zealand, July 14: The United States will push for tariff cuts and quicker free trade in information technology at an Asia Pacific Economic Cooperation group meeting this week the acting US Trade Representative said Sunday, reports AP.

Charlene Barshefsky will attend the APEC trade ministers meeting Monday and Tuesday and also hold bilateral trade meetings on APEC-related issues.

"We'll certainly discuss the desirability of having tariffs reduced and eliminated in the sectors that broadly comprise information technology, which would encompass, for example, telecommunications equipment and computers, Barshefsky said.

The goal of total free trade

in the industrialized countries by 2010 and in developing economies by 2020 agreed to be APEC leaders at the Bogor, Indonesia, conference in 1994 should be speeded up for high technology products in the APEC region to around the turn of the century, she said.

She also confirmed she would meet with Japanese Trade Minister Shunpei Tsukahara later Sunday to assess how much work remains before an agreement can be reached on sales of foreign semiconductors into Japan ahead of a July 31 deadline.

Tokyo has just two weeks to reach agreement with the United States on a deal to give American firms greater access to Japan's market for microchips, or face trade retaliation. Talks on renewing an

agreement for foreign access to Japan's semiconductor market will take place between Yoshinori Sakamoto, Vice Minister for International Affairs at Japan's Ministry for International Affairs and Trade (MIIT), and Ira Shapiro, Senior counsel and negotiator for the US Trade Representative, a US official said, speaking on condition of anonymity.

He said the meeting would focus on ways to determine if semiconductors were being "dumped" into markets and what measures could be taken to mediate any disputes in that area.

In addition, the official said the United States has scheduled a meeting with Indonesian trade officials in Washington on August 1 to discuss that country's national car policy.

US to ease control over satellite, jet tech export

WASHINGTON, July 14: Secretary of Commerce Mickey Kantor says the Clinton administration will soon issue regulations allowing the Commerce Department to licence exports for all commercial communications satellites as well as what is called 'hot-section' technology used in civil jet engines, according to USIS press release.

During a Commerce export-control conference July 9, Kantor indicated that forthcoming regulations from the Commerce and State departments would reflect settlement of a longstanding jurisdictional dispute between the two agencies.

"With this, American exporters will be on equal footing with their foreign competitors while protecting our essential security and foreign-policy interests," Kantor said.

Aung San Suu Kyi denies being anti-business

YANGON, July 14: Myanmar main opposition leader Aung San Suu Kyi denied she was anti-business yesterday and called for economic development that benefits the people without endangering the moral fibre of the nation, reports AFP.

In one of her twice-weekly addresses in front of her Yangon residence, the National League for Democracy (NLD) leader answered critics who assail her for calling for a boycott by foreign investors.

"Some people say we are anti-business and against businessmen... this is not true... but we advocate the kind of business which benefits the whole country... the kind that makes people happy and satisfied," she said.

Strongly opposed to investment in Myanmar which she believes serves to prop up the ruling military junta, Aung San Suu Kyi said economic development was not necessarily



the solution to all of Myanmar's problems.

"As far as we are concerned, we feel that priority should be given more to a good education and a sound moral character," she said.

Her comments came amid growing signs this week of US government readiness to enforce sanctions against Myanmar if approved by Congress.

Commodity market: Prices of gold up, oil firm, tea down over the week

LONDON, July 14: The soy market was in turmoil this week, as prices climbed sharply because of fears of a poor harvest in the United States, by far the world's largest producer, reports AFP. Dry weather conditions are threatening development of the plant, which is harvested in the autumn on the wide rolling plains of the United States. A cut in US production of soy, used to make oil and for animal feed, result in a market crisis.

Cereal prices rose because of several poor wheat and maize harvests which could make them too expensive to use in animal feedstuffs, in turn boosting the use of soy cakes, particularly in Asia.

Elsewhere, the price of cocoa plunged, ending a series of strong gains in recent weeks after indications of a good crop in coast, the world's top producer.

In contrast, the price of oil remained higher with the continued absence of Iraqi crude on the international markets.

GOLD: Brighter. The gold market, which had been neglected for a few weeks, drew new interest and the price rose by two dollars to 383 dollars an ounce.

Brokers GNI said the sharp fall on Wall Street had begun to

push the price up. Some investors had sold shares to buy instruments in precious metals, a US expert said.

GNI estimated that if the stock market fell sharply, the US federal reserve might become reluctant to increase interest rates. This would stroke fears of inflation and consequently investors would turn to gold.

SILVER: Unchanged. The price of silver did not react to the rally in the gold market. Prices fluctuated around 5.10 dollars per ounce but did not break out upwards.

PLATINUM: Paradoxical. A halt in production at the world's largest platinum mine at Rustenburg in South Africa did not affect the market. Most platinum is used in the manufacture of catalytic exhaust pipes for the auto industry. Price remained weak at about 390 dollars an ounce.

One dealer said that strike at Rustenburg had no effect because plenty of metal was available to the market.

It was also believed that Russian interests, who held big reserves, would increase their exports if prices rose.

The mining Anglo American, which owns the Rustenburg mines, said on Thursday that production, halted since June 25, had still not been resumed.

COPPER: Falls. The price of copper, following a period of consolidation, fell by about 50 dollars this week to 1,850 dollars per tonne.

Experts at brokers GNI said the market had been affected by bank sales "which might be a sign that key position on the market are being liquidated."

The price might also have been affected by fears of a slowing of the US economy, and therefore of an easing of US imports of copper which is used in many sectors of industry.

The scandal of improper trading by Sumitomo, the Japanese house which announced in June that it had incurred huge losses over many years, continued to weigh on the market.

A further fall of stocks held by the London Metal Exchange (LME) had scarcely any effect. Stocks fell by 8,725 tonnes to 232,6875 tonnes in the space of a week, reflecting strong demand.

LEAD: Easier. The price of lead fell by about five dollars to 785 dollars per tonne owing to seasonal weakness of demand and the fall in copper prices.

Stocks held on the LME rose by 1,600 tonnes to 96,000 tonnes, contributing to gloom in this market.

ZINC: Slipping. The price of zinc fell by about 15 dollars to

about 1,020 dollars per tonne, affected by the fall of the price of copper and an 1,625 increase in stocks on the LME to 567,550 tonnes.

An announcement that the Chinese production site of Zhuzhou had resumed exporting also affected the market. This foundry, which is one of the main producers of refined zinc in the world, had ceased exporting zinc and lead owing to problems with customs.

ALUMINIUM: Flat. The price of aluminium fell by about 40 dollars to 1,470 dollars per tonne despite the emergence of positive signals. The market was affected mainly by the fall of the price of copper.

But a fall off stocks on the LME, by 7,750 tonnes to 896,875 tonnes, put some new hope into the market.

NICKEL: Fall. The price fell by 350 dollars to 7,350 dollars per tonne. Stocks at the LME fell by 270 tonnes to 32,130 tonnes.

One expert said nickel had fallen victims to current gloom in the market for stainless steel which is main market for nickel, and to a resumption of exports from facilities at Norilsk in Russia.

TIN: Decline. The price slipped by 100 dollars to about 6,300 dollars per tonne in a market influenced by the price

of copper. An announcement that stocks of tin on the LME had fallen by 105 tonnes to 10,600 tonnes did not have any effect.

OIL: Firm. The price of oil remained very high and firm at 19.50-20.00 dollars per barrel, supported by technical factors such as the expiry of nearby contracts and also by fundamental factors.

Application of an agreement between Iraq and the United Nations opening the way for exports of Iraqi oil in exchange for humanitarian aid continued to run into many obstacles.

Rubber: Dripping downwards. The price of latex fell slowly but steadily, shedding about 15 pounds to 930 pounds per tonne.

The market was experiencing "the quietest time of the year" owing to the closure of tyre factories during the summer in Europe and North America, brokers at Lewis and Peat said.

Industrialists appeared to be holding onto stocks and preferred to delay purchases, and this was weighing on price which were likely to continue falling during the next few weeks, the broker said.

TEA: Fall. Prices on the London tea market continued to drop owing to generally weak demand, the seasonal slowdown, and a fall in deliver-

ies of Kenyan teas, which in this period form the backbone of the London tea auctions.

The price of medium-quality teas fell by five pence to 95 pence per kilogram. Wilson Smithie trader Tony Kane said prices are not likely to recover before the first supplies of Assam tea arrives in September.

However, the trader said the market is in better shape than a year ago, mainly due to growing consumption in the former Soviet Union.

SUGAR: Speculative frenzy. A wave of speculative buying sent sugar prices soaring to their highest level since early April at 355 dollars per tonne, before retreating slightly to 353 dollars.

However, the International Sugar Organisation (ISO) said speculators were not the only reason behind the sharp rally. The market is supported by a good steady volume of purchase, it said.

Countries like Pakistan, Turkey and the Philippines, which have not been traditional sugar buyers, have begun to import regular quantities over the last few months, according to the ISO.

Furthermore, several countries such as Libya and Algeria have stepped up their purchases.

Another bullish factor is the fact that sugar supplies are not as plentiful as expected. Cuba

has delayed some deliveries and sugar cane exports from southern Brazil have not even begun yet.

VEGETABLE OILS: Varied. While the majority of vegetable oil prices fell on the Rotterdam market, the price of soy jumped suddenly on fears of a drop in the harvest of the United States, the number one producer in the world.

Soya gained two guilders to 93 guilders per 100 kilograms. Traders fear that the current dry weather in the American mid-west, particularly in Indiana and Illinois, two key producing regions, could reduce the size of the US soy crop.

GRAINS: Higher. Grains prices mainly advanced on the US markets, encouraged by the excessively dry and cool weather that is forecast over the next two weeks.

The market was also lifted by a strong rise in soya prices and a big grain order placed by Egypt. On the Chicago Board of Trade (CBOT), the wheat contract for delivery in July gained 25 cents to over five dollars per bushel (27.216 kilos).

In London, the wheat price also firmed, rising by two pounds to 111 pounds per

tonne in a calm atmosphere marked by a lack of selling activity.

In Paris, the new Matif contract for processed wheat got off to a modest start. In three days, 262 lots were traded, compared with 300 to 400 on average per day in London.

COTTON: Confused. The cotton outlook magazine index - the indicator price for the physical market - remained broadly stable at 0.79 dollars per pound.

The market was torn between two opposing influence. On the one hand, rainfall that has been pouring down in Texas is good news for the crops there, which is pushing prices down.

But at the same time, flooding in the Chinese cotton fields means that the harvest will be poor, leading to a strong rise in imports by Beijing, and hence higher world prices.

However, on the New York futures market, prices advanced sharply at the end of the week, fuelled by a rally in soya prices.

WOOL: Table. The British wool market index (which reflects the price for high-quality wool) remained stable at 430 pence per kilogram, while trading on the world's largest market, in Australia, was quiet.