

# Ctg tea auction Restricted buying, withdrawals large

Star Economic Report

Low demand pressed the prices further down at the weekly tea auction at Chittagong on Tuesday. Prices declined by Taka three to Taka five a kilogram for different varieties. Iran, Pakistan, the Continent and the local traders were the only operators. Restricted buying due to shipping problems arising out of the Gulf crisis led to declining prices with a large quantity remaining unsold. In all, 25,786 packages were offered for sale but there were large withdrawals. The entire quantity of Orthodox tea was withdrawn without registering any bids. CTC broken also met with lower demand and prices

ceased further between Taka two and Taka four. There were substantial withdrawals. Selective lines realised between Taka 48 and Taka 49. Fannings fared better but prices often eased in the range of Taka one to Taka two. Few lines sold between Taka 51 and Taka 55. For Dust, 3,895 packages were offered. Cleaners description were firm to dealer up to Taka two. Others often eased between Taka two and Taka three. For Green tea, there were 270 packages on offer. Hysons sold at Taka 70.00. Others were withdrawn. Unity Brokers Limited reported that total offerings for the next weekly tea auction (sale no 39), due on February 5, would comprise of 23,000 packages Leaf and 5,000 packages Dust. The Catalogues for Sale No. 40, to be held on February 12, closed with the arrivals of January 22, the brokers said. Unity Brokers in its report estimated tea crop up to end of December at 45.1 million kg, compared with 39.1 million kg during the same period last year.

# \$97b WB loans for Third World

WASHINGTON, Jan 30: The World Bank (WB) biggest source of aid to the Third World, announced on Tuesday that its loans totalled 96.8 billion Dollars at the end of 1990, reports AP.

The World Bank's lending limit is 150.3 billion Dollars. The bank said it was also making more money, 797 million Dollars in the last half of the year, after it put aside 201 million Dollars as a reserve against possible losses. The comparable figure in 1989 was 556 million Dollars.

The Bank makes most of its money by investing, at advantageous rates the proceeds of the bonds it sells. It pays comparatively low rates of interest on its own bonds, since its capital is guaranteed by the 154 governments that own it.

The World Bank borrowed the equivalent of 6.3 billion Dollars over the last six months of 1990, 38 per cent of it in US Dollars, 35 per cent in German Marks, 18 per cent in Swiss Francs and 9 per cent in Japanese Yen. The average borrowing cost was 8.32 per cent. Its total borrowings amounted to 94.9 billion Dollars.

The Bank lent out the equivalent of 5.6 billion Dollars to governments in need at a variable interest rate close to market rates, through the window called the International Bank for Reconstruction and Development (IBRD).

The poorest countries got another 2 billion Dollars in loans for as long as 40 years at less than 1 per cent interest, through the World Bank's International Development Association (IDA).

IDA gets its money from a fund provided by the more affluent member countries, with the largest sum coming from the United States.

The Bank's fiscal year ends on June 30.

# Imports slow down

Star Economic Report

Imports of commercial items and industrial raw materials slowed down in five months up to November, 1990.

Bangladesh Bank's latest import figures under new reporting system with an enlarged coverage of items showed the total value of outstanding Letters of Credits (LCs) at Taka 5,153.93 crore on November 30, the amount was Taka 504.48 crore lower than the comparative figure at Taka 5,658.43 crore in the previous year.

The previous year's comparative figure did not however include about 30 items which were shown under the new reporting or 'monitoring' system of the central bank in the category of 'others'. The system was introduced in May last following overimports of many

items that caused a faster depletion of foreign exchange reserves in the second and third quarters of fiscal 1989-90.

Taking the new monitoring arrangement into consideration, the value of outstanding LCs would be further lower than that was indicated by the available comparative statistics.

The outstanding LCs reflect the pipe line position of importable items in commercial and industrial categories. It does not include imports of foodgrains by the government under food aid and also some other imports under project assistance.

The updated import figures compiled by the central bank showed that LC openings between July and November were valued at Taka 4,968.89 crore. The amount for the

same months last fiscal year was Taka 4,771.07 crore and that was under old reporting system which excluded about 30 items in 'others' category.

The higher value of imports in terms of LC openings in first months of current fiscal year is also partly due to depreciation of the currency. Taka depreciated by about 10 per cent in relation to US Dollar between March and November in US Dollar terms, the import figure for July-November will thus be lower than its comparative in 1989-90.

LC opening in November in current fiscal year under foreign loans, credits, grants,

barter, Special Trading Arrangement (STA), cash, Wage Earners (WES) and Secondary Exchange Market (SEM) op-

erations valued at Taka 648.32 crore. The amount was Taka 914.91 crore under the old reporting system in November last year.

Import LC openings for major items up to November were: Taka 922.48 crore for textile fabrics (under back-to-back arrangements and commercial and industrial imports), Taka 113.95 crore for edible oil crude, Taka 664.82 crore for petroleum, oil and lubricants, Taka 246.41 crore for capital machinery (in textile, leather or tannery, jute, garments, packing and pharmaceuticals, plastic, printing, electronics, toy, packing and other sectors) and Taka 267.19 crore for other machinery.

Imports of chemicals in terms of LC openings in July-November were valued at Taka 292.06 crore.

The LC openings for other items were: Taka 25.92 crore for onion, Taka 50 crore for oil and rape seed, Taka 49.14 crore for synthetic or mixed yarn, Taka 27.79 crore for raw cotton, Taka 20.01 crore for spices, Taka 96.95 crore for motor vehicles and spare parts, Taka 100.46 crore for cement, Taka 73.73 crore for BP sheet, Taka 52.38 crore for scrap vessel, Taka 20.87 crore for steel and iron scrap, Taka 22.93 crore for power tiller and Taka 33.16 crore for other iron and steel products.

For powdered milk, import LC openings were valued at Taka 14.76 crore, and for condensed milk, Taka 44.03 crores. LCs stood at Taka 93.12 for salt, Taka 0.42 crore for Sugar, Taka 18.97 crore for edible oil (refined), Taka 9.85 crore for drugs and medicine (finished), Taka 4.96 crore for all sorts of pulses, Taka 9.52 crore for coconut oil and Taka 9.13 crore for fresh and dry fruits.



A female worker at work at an export-oriented garments factory in city. —Star Photo

# Share prices continue to decline

Star Economic Report

Trading at Dhaka Stock Exchange (DSE) on Wednesday was firm and steady in volume. But, prices continued to decline. Sellers were active but there was no solid buyers' support. Depressed mood of the market persisted with investors on a wait-and-see game.

Transactions were mostly in listed stocks with higher face value. That accounted for a rise in the value of traded stocks to Taka 8,38,930.00 from Tuesday's Taka 5,39,823.00. In all, 9481 shares and debentures changed hands compared with 9425 on the previous day.

Decliners dominated trading. DSE All Share Price Index which is a broad indicator of market prices of all listed stocks declined to 338.0002 points against Tuesday's 338.5037.

Twenty six listed stocks were traded. Thirteen of them fell in prices, three gained and ten remained unchanged. On the losers side, Bangladesh Lamps and Beximco Pharma got the major slash. Their prices declined by Taka 12.94 and Taka 6.34 to Taka 237.06 and Taka 155.66 respectively at closing. G. G. Ball Pen and Bengal Food lost Taka 3.52 and Taka 3.21 to Taka 52.98 and Taka 171.79 respectively.

Aftab Automobiles, Monno Ceramic and Usmania Glass declined by Taka 2.00 each to Taka 203.00, Taka 128.00 and Taka 145.00. United Insurance, Eagle Star, Quasem Textile, Apex Tannery, Bata Shoe and Rupam Oil lost between the range of Taka 0.01 and Taka 1.40. Among the advancers, Apex Tannery, the lone traded debenture gained Taka 5.00 to Taka 980.00. Eastern Cables and Dhaka Vegetable advanced by Taka 1.00 and Taka 0.64 to Taka 80.00 and Taka 155.00 respectively.

# Quoted Prices of Traded Stocks

	TV/ML	Closing	Change*	Taka
<b>Banks</b>				
UCBL	100/5	138.00	unchanged	
United	100/10	99.00	unchanged	
66/ICBM Fund	100/10	99.00	unchanged	
<b>Insurance</b>				
BEAC	100/10	106.00	unchanged	
United	100/10	108.24	(-0.76)	
<b>Engineering</b>				
Aftab Automobiles	100/5	203.00	(-2.00)	
Bangladesh Lamps	100/5	237.06	(-12.94)	
Beximco Pharma	100/5	90.00	(-1.00)	
Quasem Textile	100/10	92.00	unchanged	
<b>Food &amp; Allied</b>				
Bengal Food	100/5	171.79	(-3.21)	
Dhaka Vegetable	100/5	155.00	(+0.64)	
Central Sea	100/5	100.00	unchanged	
<b>Food</b>				
Rupam Oil	100/10	7.00	(-0.01)	
<b>Pharma &amp; Chem</b>				
Beximco Pharma	100/5	155.66	(-6.34)	
<b>Paper &amp; Printing</b>				
Textile	10/50	12.50	unchanged	
Dhaka Cotton	100/10	70.00	unchanged	
Eagle Star	10/30	31.50	(-0.50)	
Quasem Textile	10/30	7.50	(-0.50)	
Southon Textile	100/10	82.00	unchanged	
Talshu Spinning	100/10	103.00	unchanged	
<b>Miscellaneous</b>				
Apex Tannery	100/5	140.00	(-1.40)	
Bata Shoe	10/100	38.24	(-0.96)	
C. G. Ball Pen	10/30	52.98	(-3.52)	
Beximco	10/100	100.00	unchanged	
Monno Ceramic	100/5	128.00	(-2.00)	
Usmania Glass	100/5	145.00	(-2.00)	
<b>Debenture</b>				
Apex Tannery	1000/1	980.00	(+5.00)	

\* FV = Face Value, ML = Market Lot  
\* Changes: Plus signs mean gain and (-) signs losses.

# Dhaka Stock Exchange Market Profile January 30

133 Listed stocks	3G atins	13 Losers	117 Unchanged
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\* 107 unchanged stocks include ten traded on the day at the previous day's quoted prices.  
DSE All Share Price Index = 338.0002 / Issued Capital Taka 4,602,377,190.00 / Market Capitalisation Taka 9,658,442,472.00 / Turnover = Taka 838,930.00 (Value) 9481 (Volume).

# 7 joint ventures in USSR

NAKHODKA, Jan 30: The first Soviet free enterprise zone was set up in the Nakhodka seaport last year. Now it has seven joint ventures with American, Chinese and Vietnamese participation, reports IAN. The Arkaim Soviet-Chinese firm, set up a mere three months ago, has produced its first batch of two-cassette tape recorders.

# India, Lanka seek economic ties

COLOMBO, Jan 30: India and Sri Lanka were seeking closer economic cooperation that would help strengthen political relations between them, Indian Foreign

Secretary Muehkhund Dubey said after official talks here Tuesday, reports AFP. Both sides discussed the sale of Sri Lankan tea, the country's main export earner and the exploration of oil off the island's northwest coast as a joint venture during high level talks Tuesday, Mr. Dubey said.

He told reporters that agreements on both oil exploration and tea marketing would be announced at the end of the current visit in Colombo by Indian Foreign Minister Vidya Charan Shukla. "Upgrading our economic and commercial relations itself will have beneficial results for our political relations. Discussions are going in that direction," Mr. Dubey said. He declined to give details of the agreements saying it had still not been decided. "Some more talking has to be done before we can decide on that," he said.

# Price Barometer Essentials

	(Taka per Kg)	17.00-18.00
<b>RICE</b>		
Aman (fine)	14.00-15.00	
Pajam	13.00-14.00	
Ufshi	11.50-12.00	
<b>VEGETABLES</b>	(Taka per kg)	
Peas (White)	5.00-5.50	
Brinjal	7.00-10.00	
Lady's finger	18.00-20.00	
Cauliflower / piece	6.00-10.00	
Karabi	18.00-20.00	
Lalshak	6.00-8.00	
Green Bananas (Four Pieces)	5.00-8.00	
<b>OTHER FOODSTUFFS</b>	(Taka per kg)	
Flour	12.00-14.00	
Atta	11.00-12.00	
Wheat	9.50-10.00	
<b>FISH</b>	(Taka per kg)	
Rubi (big)	115.00-125.00	
Karabi (big)	70.00-90.00	
Hilsa	60.00-65.00	
Shrimp (big)	80.00-90.00	
Singi	60.00-65.00	
Koi	65.00-75.00	
<b>PULSES</b>	(Taka per Kg)	
Mashur	35.00-38.00	
Moogh	34.00-36.00	
Chhola	26.00-28.00	
Matar	27.00-28.00	
Khesari	18.00-19.00	
<b>MEAT</b>	(Taka per Kg)	
Beef	50.00-55.00	
Mutton	75.00-80.00	
<b>OIL</b>	(Taka per Litre)	
Mustard	48.00-56.00	
Soyabean	33.00-33.50	
Coconut (Colombo)	60.00-64.00	
Vegetable Ghee	44.00-52.00	
<b>SPICES</b>	(Taka per kg)	
Onion (new)	20.00-21.00	
Garlic	45.00-48.00	
Chillies	60.00-65.00	
Tumeric (Round)	42.00-46.00	
(Long)	48.00-52.00	
Green chillies	18.00-20.00	
Ginger	16.00-20.00	
Cinnamon* (10gms)	3.00-3.50	
Cardamom* (large)	9.00-10.00	
Jhim (50gms)	7.00-7.50	
<b>MISCELLANEOUS</b>	(Taka)	
Ghee	220.00-230.00	
Sugar	31.00	
Molasses	16.00-18.00	

Source: Department of Agricultural Marketing

# Gold & Silver

	(Taka for 11.66 grams)
Gold	7200.00
Silver	7000.00
Guinea	200.00

Source: Department of Agricultural Marketing

# HIDES & SKIN

	(Wet/Salted)	January 30	Taka per 100 pieces
Cow	12,000.00	15,000.00	
Light	25,000.00	30,000.00	
Medium	35,000.00	40,000.00	
Heavy	50,000.00	55,000.00	
Very heavy	65,000.00	70,000.00	
Rejected	25,000.00	30,000.00	
Goat			
Big & heavy	12,000.00	12,500.00	
Light & Medium	7,000.00	7,500.00	
Rejected	3,000.00	3,500.00	
Sheep	9,000.00	10,000.00	
BUFFALO	55,000.00	60,000.00	

Source: Department of Agricultural Marketing

# 12 ADP projects reviewed

The progress of 12 projects of the Annual Development Plan (ADP), non under implementation with the assistance of the U.K. EEC and Bangladesh Government, was reviewed at a meeting held under the chairmanship of the commerce adviser Mr Imam Uddin Ahmed in Dhaka Wednesday, reports BSS.

It was disclosed that a three million US Dollar 'export development fund' (EDF) has been created with financial assistance from the World Bank to increase the country's export of non-traditional items. The meeting reviewed the progress of five tea board projects, three tariff commission, ICM and ICAB projects, two general insurance and two TCB projects.

The Commerce Adviser expressed his satisfaction over the progress of the projects. He called for speedy completion of the projects by properly utilising the fund for the purpose.

# Recession affects UK business

LONDON, Jan 30: Recession has shattered business confidence in Britain and companies are at their gloomiest for 10 years, the Confederation of British Industry (CBI) said on Tuesday, reports Reuter.

A CBI survey found 55 per cent of firms were less optimistic about the business outlook than they were four months ago, only four per cent were more optimistic. The drop in confidence was the sharpest since October 1980.

The CBI survey, completed on January 16, covered 1,261 firms accounting for about half Britain's manufacturing jobs. It is regarded by financiers and ministers as a barometer of the health of British factories.

Financial analysts said it would intensify pressure on Chancellor Lamont to cut relatively high British interest rates. Britain's bank base rate is

currently being held at 14 per cent to try to squeeze inflation out of the economy.

Year-on-year inflations down from a peak late last year of almost 11 per cent but remains above nine per cent.

On a brighter note the CBI said fewer firms expected to be able to raise prices in the coming four months, implying that inflation would keep falling.

David Wigglesworth, Chairman of the CBI Economic Committees, said price rises were being severely curbed by competition.

Costs are also moderating, he said. This should provide the basis for a reduction in interest rates and a recovery in business activity later in the year. However, it is clear that recovery is still a long way off.

The survey found that 54 per cent of firms expected to cut job. Unemployment is already above 1.75 million and is expected by many economists to exceed two million.

# Plea to reduce oil price

The Convener of BNP Peasants Front, Abdul Mannan Bhuiyan, appealed to the government to take immediate measures to reduce the fuel oil price and distribution of oil through cards to genuine farmers for raising the farm produce in view of present critical situation, reports BSS.

Mr. Bhuiyan, who is also the Joint Secretary-General of BNP, in a statement, called for stopping steps to snap electric lines in the name of arrears bills, allowing payment of the bills by instalments and exemption of interest for all such bills including deep and shallow power pumps.

Expressing the concern, the peasant leader said farm and other production would be affected if such steps were not taken immediately.

# Oil prices up

NEW YORK, Jan 30: Oil prices jumped nearly one dollar per barrel Tuesday, as a new wave of war jitters injected a bit of life into what has been a sluggish futures market, reports AP.

Light sweet crude for delivery in March, settled at 21.85 Dollars per 42-gallon barrel, up 89 cents, on the New York Mercantile Exchange. In London, North Sea Brent Blend closed at 20.47 Dollars per barrel, up 60 cents, on the International Petroleum Exchange.

"Two things people were mentioning, as reasons for oil going up were the oil spill causing problems of a ground war beginning," said Ed Kevelson, an oil trader with Dean Witter Reynolds in New York. "Our exports are running solid and strong," he added. "We must recognise that our economic strength depends upon being competitive in world markets."

# Exchange Rate

January 30

SELLING AND BUYING RATES, offered by Commercial Banks for Bank Cheques, (BC) and Overseas Drafts (ODs) One Unit of Foreign Currencies (FC) for Taka	Buying	Selling
US Dollar	35.4432	35.9226
*UK Pound Sterling/69.7076	70.5261	
German Deutsche 2.8113	24.1496	
Mark		
French Franc	7.0101	7.1092
Saudi Riyal	9.4819	9.6101
Dutch Guilders	21.1223	24.4271
Pakistan Rupee	1.6098	1.6160
(AMU)*		
Singapore Dollar	20.5396	20.8174
UAE Dirham	9.6831	9.8141
Kuwait Dinar	Not available	
Indian Rupee	1.9305	1.9493
(AMU)		
<b>SECONDARY EXCHANGE MARKET</b>		
Wage Earners Fund/Export Performance Benefit (XPB) Fund	Buying	Selling
US Dollar	36.48	36.53
UK Pound	71.66	71.71
Sterling		