UN to promote Asia-Pacific trade

BANGKOK, Feb 16: A United Nations conference on Asia-Pacific trade closed here Fri day after resolving to promote trade by bringing trade procedures up to date in developing countries in the region, reports AFP.

A resolution adopted by 20 countries attending the U. N. Economic and Social Commission of Asia and the Pacific (ESCAP) Committee on Trade Conference said such an improvement would make regional trade more efficient and cost-effective.

A network of ESCAP trade facilities will work toward this goal, the resolution said. adding that developing countries in the region still required urgent U.N. attention

Week begins with thin trading

Star Economic Report

The week began at Dhaka Stock Exchange on Saturday with thin trading.

The trading pattern was mixed. Most of the traded stocks advanced in prices. But decliners involved more trading in value terms.

As a result Dhaka Stock Exchange (DSE) All Share Price Index went down to 335.2180 points compared with the Thursday's 335.4853.

DSE All Share Price Index is the broad base indicator of price movements of all the listed stocks.

Twentynine listed stocks were traded. Of them thirteen gained, eight lost and eight remained unchanged at their previous quoted prices.

In all 4871 shares and debentures changed hands compared with Thursday's 2862. Traded issues valued Taka 3.63.018.00 compared with the Taka 1,59,150.00, on

the closing day last week. On the gainers side. Pharmaco and Monno Ceramic advanced Taka 3.00 and Taka 2.00 to Taka 46.00 and Taka 13.00 respectively at closing.

Tallu Spinning and Aftab Automobile gained Taka 1.83 and Taka 1.67 to Taka 105.00 and Taka 195.67.

Saiham Textile, Eagle Star. Oxygin, Renwick Jajneswar Quasen Drycells. National Tubes, Eastern Cables, 5th ICB. Mutual Fund and 6th ICB Mutual Fund advanced within the range between Taka 0.15 and Taka 1.00

Among the losers Savar Refractories and Usmania Glass got the major slash. They lost Taka 20.00 and Taka 15.00 to Taka 110.00 and Taka 125.00 respectively.

Bangladesh Autocars, National Bank and Apex Tannery declined Taka 7.00, Taka 3.00 and Taka 2.00 to Taka 115.00, Taka 109.00 and Taka 138.00.

Dhaka Vegetable, Beximco Pharma and Kohinoor Chemical lost within the range between Taka 0.02 and Taka 1.32.

Quoted Prices of Traded Stocks

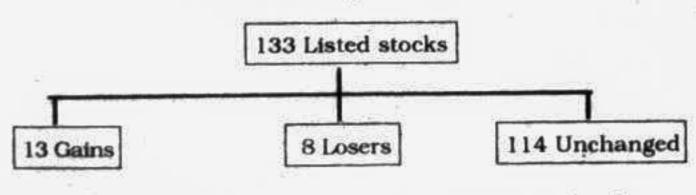
February 16

*FV/ML Closing **Changes

	A	(Taka)	[Taka]
Banks	4		
Islamt Bank	100/1	1020.00 1	anchanged
National Bank	100/5	109.00	(-3.00)
Investment	2 90	The same of the sa	V
5th ICB M. Fund	100/10	118.66	(+0.87)
6th ICB M. Fund	100/10	90.00	(+0.42)
Insurance			
BCIC	100/10	104.00	unchanged
Green Delta	100/10	105.00	unchanged
Engineering	0.000,000		2011 1011
Aftab Automobiles	100/5	195.67	(+1.67)
Bangladesh Autocars	100/5	115.00	(-7.00
B. That Alumintum	100/10	4 FC 2705 21 V	unchanged
Eastern Cables	100/5	84.00	(+1.00)
National Tubes	100/10	116.00	(+1.00)
Quasem Dryoells	10/50	7.90	(+0.15)
Renwick Jajneswar Food & Allied	100.5	52.00	(-1.32)
Dhaka Vegetable Fuel & Power	100/5	152.10	(-1.32)
Oxygen Jute	10.50	51.25	(+0.25)
Sonali Ansh	100/5	75.00	unchanged
Pharma & Che	NO 254 AVE		74
Bextmco Pharma	100/5		(-0.36)
Kohtnoor Chemical	100/5		1-0.021
Pharmaco Textile	100/5		(+3.00)
Dulamta Cotton	100/10		unchanged
Eagle Star	10/50		(+1.00)
Saiham Textile	100/10		(+1.00)
Tallu Spirming Miscellaneous	100/10	105.00	(+1.83)
Apex Tannery	100.5	138.00	(-2.00)
Bata Shoe	10/100	38.00	unchanged
Milon Tamiery	100/5	31.00	unchanged
Monno Ceramic	100/5	130.00	(+2.00)
Savar Refractories	100/5	110.00	(-20.00)
Usmanta Glass	100/5	125.00	(-15.00)
FV=Face Lot	Valu	e. ML	-Market
** Changes			can gain

Dhaka Stock Exchange

Market Profile



the previous day's quoted prices. DSE All Share Price Index = 335.2180 Issued Capital-Taka 4,602,377,190.00

External aid becomes costly

\$ 10.34 m debt burden

International aid had increasingly become costly for Bangladesh because of growing debt servicing liabilities.

Total outstanding Medium and Long Term (M<) external debt stood at 10.34 million US Dollars in June last. Every year the burden has been on the rise, by an average of one billion Dollars in the Third Five Year Plan period (1985-

In six years time up to June 1990, the outstanding debt burden increased by more than 214 per cent. It was 4.8 billion Dollars in June 1984.

With the burden going up. debt servicing repayments have also rise. In 1989-90, repayments of M< external loans totaled 290 million US Dollars -176 million Dollars for debt amortization (repayments of the principal amounts) and 114 million Dollars in interest charges. The amount was 19.5 per cent of total export receipts of 1486 million Dollars in the year. Debt servicing liability involved 93.3 million Dollars (43.3 million as interest payments and 50.3 million as debt amortization) in 1979-80 which was 13 per cent of total export earnings of that year. The amount increased to 170 million Dollars (64 million as interest payments and 106 million as debt amortization) in 1984-85, representing 18.1 per cent of total export earn-

According to Planning Commission estimates, the debt service liabilities of M< loans grew at an average annual rate of 11.3 per cent in 1985-90. Export earnings then rose by 10.2 per cent a year in nominal terms. This increased the pressure on the capacity of the country to repay its debt obligations.

Earlier estimates showed the increase of such liabilities at an average rate of 16 per cent during the Second Five Year Plan period (1980-85) when export earnings recorded an aggregate growth of 55 per cent.

Some debt relief announced by the donors in recent years reduced repayments obligations. Bangladesh received in the eighties debt relief to the extent of about one billion Dollars. This amount included 546 million Dollars debt, mostly cancelled by the Federal Republic of Germany, France and number of other bilateral donors upto June 1985.

Despite the relief, the re-

Star Economic Report payment liability has continued to mount. This has been more so because of meagre export earnings until now. The pressure will accentuate in the coming years as old loans be-

come due for payments, ac-

cording to Planning Commis-

Bangladesh started its external debt repayments in 1973-74 when the amount was modest at 17.5 million dollars. Since then, repayments have been on the rise. It is increasing as a result of increasing quantum of loans and a rising cost of aid, the official sources said. The pressure will exacerbate as more loans become due for repayment.

"The gradual decline in the proportion of grant to total aid. large structural trade deficits. low growth of domestic revenue in combination with rapid growth of current expenditures of the government contributed to increased external indebtedness of the country", the same sources

With the gradual expiry of the grace period, payment liabilities are therefore mounting with resulting high pressures on the country's total foreign exchange earnings.

Besides the M< external debt servicing liabilities. Hangladesh has also to meet the repayment requirements for its short-term borrowings including those of International Monetary Fund (IMF). The short-term borrowings were made for external food procurements against loans. and purchases of aircraft, occean-going vessels, and crude oil from time to time.

Interest charges on shortterm borrowings totaled 103.6 million dollars in 1989-90 against 84.4 million dollars in 1988-89. Repayments of the principal amount of such loans amounted to 228 million dollars in 1989-90 compared with 117 million dollars in 1988-89, according to Bangladesh Economic Survey

(1989-90).

Commitments and Disbursements of External Loans and Grants

(In million US Dollars)

	Commitments						Disbursements					
		Grants			Loans			Grants			Loans	
Year			\neg	- 1								
	Food	Non-project	Project	Food	Non-project	Project	Food	Non-project	Project	Food	The Control of the Co	The second secon
1971-72	171.0	259.5	81.7	255	33.2	64.9	129.6	115.5	-	75	22.2	3.5
From Dece	mber			8								
16 to June	30)							3	ii.			
1972-73	224.3	210.2	49.2	34.5	1.9	268.3	181.7	279.2	25.5	0.9	9.7	54.5
1973-74	38.0	37.2	31.5	117.1	134.8	192.4	111.6	40.2	66.7	117.1	67.9	57.7
1974.75	214.3	88.0	42.9	246.8	327.1	347.6	199.6	109.6	56.7	182.7	266.1	77.3
1975-76	98.8	107.9	173.9	141.9	253.0	183.4	111.8	90.9	31.1	201.7	270.6	94.4
1976-77	90.5	157.5	152.5	52.6	146.6	127.2	77.4	125.0	52.9	44.5	129.1	105.6
1977-78	106.9	146.2	180.1	31.9	9.9	402.8	110.8	154.5 1	21.5	60.0	225.9	154.1
1978-79	259.8	355.6	320.6	40.9	248.8	534.5	162.1	204.5 1	35.3	16.9	278.1	233.1
1979-80	255.0	108.3	121.6	15.9	177.0	476.3	318.8	161.6 1	73.2	55.9	216.9	299.7
1980-81	171.4	185.7	192.9	162.6	179.6	251.5	162.6	179.6 2	51.5	31.5	212.9	308.4
1981-82	183.7	263.9	357.9	36.9	249.1	831.4	230.5	212.9 2	10.4		206.9	378.9
1982-83	248.3	268.1	320.2	(()	206.3	479.6	221.1	244.5 1	21.9	34.4	207.5	348.0
1983-84	271.8	245.4	346.3	13.4	287.8	535.4	263.0	244.4 2	26.4	13.4	194.8	326.4
1984.85	380.2	152.6	342.5		100.5	997.0	242.0	243.9 2	14.9	2.5	•	431.6
1985-86	329.6	183.0	361.0		225.9	561.9	202.7	137.2 2	05.7	*	252.2	504.1
1986-87	109.0	206.1	578.6	*	355.9	353.6	225.4	176.0 2	60.1		226.5	707.1
1987-88	364.1	138.5	378.3	11 .	112.7	536.2	300.00	170.7 3	52.6	2	338.7	477.9
1988-89	157.0	188.1	316.0	*	413.2	791.4	226.9	164.0 2	82.0	: :::	373.7	621.9

1989-90-Total grant assistance commitments (food, non-project and project) were 885 million Dollars. and total loan Assistance Commitments (food, nonproject and project) were for 1259 million Dollars.

Disbursements (including grants and loans) were 188 million Dollars in food aid, 457 million Dollars in non-project and 1165 million Dollars in project aid. Source, 'Bangladesh Economic Survey (1989-90) and Bangladesh Bank Annual Report (1989-90)

Asia, ME to face economic crisis

expert said.

ficials said.

of the year.

their standard of living," one

countries of the Organization

for Economic Cooperation and

Development (OECD) seems

set to be "very weak" in the

first half, OECD delegation of-

its second month at the week-

end, has cooled off the global

economy, but international

economic bodies are confident

of recovery in the second half

the industrial world by year-

end, provided the conflict is of

"reasonably" limited duration,

MOSCOW, Feb 16: President

Mikhail Gorbachev said here

that switching to a market

economy would not bring the

Soviet Union instant prosper-

ity, hinting that he favoured a

slow transition, reports

that the market is a panacea

for all ills and will immediately

lead us to the kingdom of

prosperity is mistaken."

Gorbachev told a conference of

a transitional period, but not a

are seen sitting on his left.

"Consequently, there will be

Gorbachev's remarks fol-

state prosecutors.

very short one, "he said.

"The person who thinks

Reuter.

highly-placed economists say.

The Gulf war, which enters

Growth in the 24-member

PARIS, Feb 16: Asian and Middle Eastern countries will face extreme economic hardship in the months ahead with the Gulf war aggravating their problems, reports AFP.

Analysts in international economic bodies take a very pessimistic view of the outlook for Third World economies.

"For some countries the impact of the Gulf crisis, including the 50 per cent rise in oil prices, and the general slowdown amounts to a real disaster," said a senior official of an international financial in-

stitution. Those hard hit include Asian and Middle Eastern countries which suffered serious cash revenue losses through the exodus of immigrant workers from the Gulf region and lost trade earnings.

This came on top of the extra burden imposed on the oil importers, including debt-ridden Latin American and African Countries and the effect of weakening OECD markets on world trade. Meanwhile, oil producers such as Mexico, Venezuela, Indonesia and Nigeria have reaped windfall profits.

"Many developing countries could face a new setback to

Exchange Rates

February 16 SELLING AND BUYING RATES, offered by Commercials Banks, for Bank Cheques, (BCs) and Overseas Drafts (ODs)

One Unit of Foreign Currencies (FCs) for Taka US Dollar 35.9226 35.4432 **UK Pound Sterling** 71.2071 70.3826 German Deutsche 24.3625 24.2161 French Franc 7.2090 7.1100 Soudi Riyal 7.9.8141 9.9.6831 **Dutch Guilders** 21.7977 21.4937 Pakistan Ruped 1.6160 1.6006 Strigapore Dollar 21.0504 20.7695 **UAE Dirham** 9.8141 9.6831 Kuwatt Dinar Not available Indian Rupee 1.8972 S. Kroner 6.5462 6.4501 *AMU-Asian Monetary Union SECONDARY EXCHANGE MARKET

Wage Earners Fund/ Export Performance Benefit (XPB) Fund Selling US Dollar 36.53 UK Pound 72.36 72.41 Sterling The rates of Pound Sterling are decided every

on the cross-rates of New York market and (-) signs losses. Source: Sonali Bank

February —16

* 114 unchanged stocks include eight traded on the day at

Market Capitalisation=Taka 9,578,939,571.00 Turnover = Taka 3,63,018.00Value) 4871 (Volume).

World Bank backs Europe to cancel \$2.1b 3rd World debt

BRUSSELS, Feb 16: World Bank Vice President Mocen Qureshi backed a European Commission proposal to cancel 2.1 billion Dollars of Third World debt and convert a further 2.1 billion Dollars of promised loans into grants, reports Reuter.

The Community would be doing something which is very consistent with what number of the bilateral donors have already done, Qureshi told a news conference.

Activity, which was slowing European Community down in the west ahead of the Development Commissioner Gulf crisis and the ensuing oil Manuel Marin, who made the price shock, should be "well proposal in December, has aron its way back to normal" in gued it follows a lead set by member states like France and Britain which have wiped out some debts owed by their former colonies.

Soviet market economy

won't bring prosperity

lowed indications by Prime

Minister Valentin Pavlov that

the Soviet leadership increas-

ingly favoured a cautious re-

is easy to debate "shock ther-

apy". But in fact one would be

very irresponsible to prescribe

such recipes for our soci-

ety."Pavlov told the trade union

daily Trud in an recent inter-

a 500-day plan for a rapid

switch from a centralised

economy to a market system.

But later he withdrew his sup-

port for the scheme, which

Managing Director of Green Delta Insurance Mr Nasir Ahmed addressing the regional and

branch managers of the company at a conference on Saturday. Mr Shafat Ahmed

Chowdhury, chairman of the company and Mr A. R Bhuyian, Deputy Managing Director

Gorbachev originally backed

"It is at symposiums that it

forms plan.

WB briefed on Jamuna project

Secretary, Economic Relations Division Enam Ahmed Chaudhury called on the Vice President of Asia Region of World Bank Attila Karaosmanoglu in Washington on Friday. reports UNB.

Enam is heading a Bangladesh delegation to negotiate with the World Bank for three projects.

The ERD Secretary apprised Karaosmanoglu about recent economic developments and the positive steps taken by the interim government in this regard.

He assured the Bank Management that the development efforts in Bangladesh are likely to be greatly intensified in the time to come.

Communist hardliners.

worried about a return to cap-

italism, say a rapid transition

to a free market system would

lead to mass unemployment

fears in his speech on

Gorbachev echoed these

"The market by itself and

the mixed economy will not

guarantee well-being. The

market economy bears fruits

where it is combined with

mastery of new technologies

and the implementation of a

structured policy,"the Soviet

has been shelved.

and social upheaval.

Wednesday.

leader said.

Karaosmanoglu appreciated the attitude and efforts of Bangladesh government and stressed the need for early

conclusion of the negotiation of the pending projects so that more funds could be earmarked for Bangladesh.

He mentioned that the performance of the recipient country is one of the important criteria for allocation of concessional loan from IDA.

Enam Chaudhury also stressed upon the importance of the Jamuna multipurpose project and the necessity of making additional resources available to the country for expediting the development ef-

Tk 58.58 cr BSRS loan realised

Star Economic Report Bangladesh Shilpa Rin

Sangstha (BSRS) realised a total amount of Tk 58.58 crores from different projects during fiscal 1989-90. This amount is more than 45 per cent higher than the collection of previous

BSRS also sanctioned Tk 118 crores for modernisation and expansion of 32 sick units during fiscal 1989-90 with a view to revitalise them.

This amount includes working capital loans.

The meeting, presided over by Mr Shafful Alam, Chairman of BSRS, reviewed the recent performance of BSRS in recovering overdues and rehabilitating sick projects.

Gold & Silver

February 16 Guinea Source Department of Agricultural Marketing

HIDES & SKIN

(Wet/Salted)

Taka per100 pieces)

February 16

12,000.00 - 15,000.00 25,000.00 - 30,000.00 35,000.00 - 40,000.00 50,000.00 - 55,000.00 65,000.00 - 70,000.00 25,000.00 - 30,000.00 12,000.00 - 12,500.00 7,000.00 - 7,500.00 Medium 3,000.00 -- 3,500.00 9,000.00 - 10,000.00

Oil market sees future

LONDON, Feb 16 : The oil market saw the future on Friday, and didn't like it, reports Reuter.

Prices plunged as traders batled out of oil after Iraq announced it would consider a withdrawal from Kuwait, but rapidly clawed-back most of the fall as it became clear that many conditions were attached.

President George Bush rejected the Iraqi offer as a "cruel hoax." He told a meeting of scientists in Washington that Iraq had raised too many unacceptable conditions and must withdraw from Kuwait without any condition in order to end the war.

North Sea Brent blend tumbled to 16:30 dollars a barrel from Thursday's close of 18.79 dollars on London's international petroleum exchange as traders focused on the immediate implications for output and prices.

On reflection, the market rallied as the conditional nature of the offer became ap-

parent. As cautious diplomatic reactions to Baghdad's statement

came in from around the world, the Brent price hovered around 17.75 dollars in late afternoon trading in London.

The European market fluctuations represented the first time the price has strayed far from the 20-dollar level in the four weeks since the Gulf war began on January 17.

"The market is trying to work out whether chances of peace are real or not. It has wiped some of the war premium off the oil price leaving an uncertainty premium, said Peter Nicol, oil analyst at brokers Warburg Securities.

Nicol said the oil price would have gone to 15 dollars if the news of linkage with the Palestinian question, which the allies have consistently rejected, had not emerged.

EC may export lm tons beef

GENEVA, Feb 16: The European Community (EC) may export close to one million tons of its surplus beef this year in a move likely to weaken prices on an already oversupplied market, the world trade body GATT said yesterday, reports Reuter.

Global production outstripped demand last year as consumers ate less beef and yeal due to rising retail prices and a general economic slowdown, the trade forum said in its annual report on international meat markets.

A United Nations ban on trade with Iraq and Kuwait also shut off markets which had previously accounted for three to four per cent of world beef imports.

World poultry production rose by some four per cent in

Price Barometer : Essentials

February 16

RICE

(Taka per Kg)

16.00-17.00 Aman Very fine) 14.00-15.00 Aman(fine) 13.00-14.00 Paijam 11.50-12.00 (Taka per kg) VEGETABLES 3.50-4.00 Potato(White) 6.00-8.00 15.00-16.00 Lady's finger 6.00-10.00 Cauliflower / piece 18.00-20.00 Karolla Lalshak 5.00-6.00 5.00-8.00 Green Banana (Four Pieces) (Baka per Kg) OTHER FOODGRAIN 12.00-1400

Flour 11.00-12.00 Atta Wheat 9.50-10.00 FISH (Taka per kg) 110.00-130.00 Ruhi(big) 80.00-90.00 Katla(big) 60.00-65.00 90.00-110.00 Shrimp(big) 60.00-65.00 Singi 75.00-80.00 (Taka per Kg) PULSES 32.00-36.00 Mashur 32.00-35.00 Moogh 24.00-26.00 Chhola 27.00-28.00 18.00-20.00 Khesari (Taka per Kg) MEAT 50.00-55.00 75.00-80.00

(Taka per Litre)

46.00-50.00

32.00-33.00

(Taka)

31.00

220.00-230.00

Mustard Soyabean Coconut(Colombo) Vegetable Ghee SPICES Onion((new)

OIL

60.00-64.00 44.00-52.00 (Taka Per kg) 12.00-15.00 40.00-48.00 Garlic 65.00-70.00 Chillies 40.00-46.00 Tumeric(Round) 42.00-50.00 (Long) 18.00-20.00 Green chillies 16.00-18.00 Ginger 3.00-3.50 Cinnamon* (10gms) 4.00-5.00 Cardamom* (large) 7.00-7.50 Jhira (50gms)

16.00-18.00-Molasses

MISCELLANEOUS

Snippets

Iraq needs \$ 10b to repair oil refineries

NEW YORK, Feb 16: Rebutiding irag's damaged oil refineries could take up to three years and 10 billion Dollars, oil industry experts say, reports

Exactly how much damage Allted bombers have inflicted on tragt of fields and installations is not known, but the experts expect production complexes to come back on stream faster than the refinery opera-

Iraq, a founding member of the Organisation of Petroleum Exporting Countries (OPEC). pumped about 3.25 million barrels of oil a day before it invaded Kuwatt on August 2. making it a major world pro-

US trade deficit falls to lowest level

WASHINGTON, Feb 16: U.S. wholesale prices edged down 0.1 per cent in January while the country's trade deficit fell to its lowest level in seven years in 1990, the government said Friday, reports AP.

The Bush administration said those developments should translate into an early end to the recession.

Private economists, however, said a third reportshowing that output at the nation's factories, mines and utilities fell for the fourth straight month in Januaryindicates manufacturers remain in the grips of asteep downturn.

UK inflation falls

LONDON, Feb 16: Annual British inflation fell to 9.0 per cent in January, down from 9.3 per cent in December, the Central Statistical Office (CSO) announced Friday, reports AFP. The fall was exactly in line with expectations.

British inflation has now fallen for three consecutive months from a peak of 10.9 per cent in September and October of last year.

The downward trend of in flation allowed the government to cut base interest rates by 0.5 per cent to 13.5 per cent Wednesday.

Impact on economy to be assessed

Officials of the G-7 coun tries and their key OECD part ners are to carry out of first "qualitative assessment" of the Gulf war's economic impact in l'aris early next month, re-

ports AFP. The focus will shift to "postwar problems" in time for the spring sessions of the policymaking bodies of the International Monetary Fund and the World Bank in Washington late next April.

These issues will include the financing of the broader cost of the war and reconstruction, and the competition for a share in world savings between Eastern Europe and the poorest nations.

\$ 1m silver found in India

NEW DELHI, Feb 16: Indian police found silver worth more than one million Dollars yesterday in the rubble of a razed Calcutta factory and said it was one of the largest smuggling rackets they had stumbled

Ninty-four slabs of silver ingots each weighing 33 kilograms (72.6 pounds) were dug out of the factory's debris in the eastern city, the Press Trust of India (PTI) quoted police officers as saying.

upon, reports AFP.

The officers said the contraband silver had been smuggled from the United Arab Emirates and brought to India

Thai rice export increases

BANGKOK, FEB 16: Thatland's rice export in January this year increased by 10.8 per cent and 6.1 per cent in volume and value respectively as compared with the same period in 1990, according to the latest report of the Board of Trade's Rice Committee, reports Xinhua

The report noted that a total of 368,433 tons of rice were shipped last month. worth 2,571.01 million Baht (about 102.84 million U. S. Dollars), of which, 79.89 per cent were shipped by the private sector and the rest by the government.

Probe into bank loan to Iraq WASHINGTON, Feb 16: The

U. S. attorney in Atlanta says he is staying out of the federal investigation of an Atlantabased Italian bank that secretly lent several billion Dollars to Iraq because he once represented one of the bank's main corporate customers. Joe D. Whitley said Thurs-

day he rescued himself from the investigation of the Atlanta branch of the Banca Nazionale del Lavoro (BNL) as soon as he became chief Federal prosecutor in Atlanta last summer.

Source: Department of Agricultural 55,000.00 - 57000.00 Marketing Source: Department of Agricultural Marketing