

Govt loses Tk 104 cr revenue due to smuggling

BTC's sales fall by 19 p.c.

By Muzammil Hossain

With its sales turnover down by 19 per cent by the government and Investment Corporation of Bangladesh (ICB), and the rise...

Managing Director R M H Duncan told newsmen at the company's post-AGM press conference that BTC faced enormous operational difficulties because of fall in its sales...

He said that the government restructured cigarette excise duty in March 1990 by abolishing the development surcharge but, in its place, the base excise duty rates were raised.

Replying to another question, the company executives estimated that 790 million cigarettes were smuggled into Bangladesh in 1990. This represents a loss in revenue to the government of Taka 104 crore, they said.

of the company declined by 7.1 per cent to Taka 653 crore in 1990. There was a corresponding fall in government levies of 6.7 per cent to Taka 491 crore, he added.

The BTC Managing Director said that the company's exports of tobacco increased 36 per cent by volume and 33 per cent by value to 1.12 million US Dollars. The BTC is also bidding for exports of cigarettes to the former Communist countries including the Soviet Union.

He also pleaded for withdrawing the ban on advertising by the cigarette manufacturers. The advertising ban which was imposed recently will not achieve the ends for which it has apparently been designed.

About the future prospects of the company, Duncan observed that the performance of the company would continue to be greatly influenced by the level of taxation and penetration of the market by the smuggled cigarettes.

Snippets

Kuwait likely to permit foreign banks

BOCA RATON, Apr 24: As Kuwait reconstructs its war-torn economy, it is likely to permit foreign banks to enter the country and open branches or offices for the first time, the General Manager of National Bank of Kuwait said, reports Reuter.

I think you will see foreign banks being allowed to operate in Kuwait. In what form, I'm not sure, Nemeah Sabbagh said in an address to the Bankers Association for Foreign Trade. Such foreign involvement would be gradual and limited in order to avoid the mistake of ending up with an overcrowded banking system, as exists elsewhere.

White House for action on China

WASHINGTON, Apr 24: The Bush Administration asked the Senate to approve an international accord banning forced labour amid charges that China was using prisoners to make export goods, reports Reuter.

The accord, an International Labour Organisation Convention was sent to the Senate in 1963 but was never ratified on fears it could interfere with US domestic law.

A high-level legal review cleared the way for ratification of several ILO conventions that Labour Secretary Lynn Martin said would increase US standing as Washington appealed for compliance to labour standards by other states.

Pakistan may get \$750m WB loan

ISLAMABAD, Apr 24: Pakistan is expected to get a loan of 750 million US Dollars from the World Bank during fiscal year 1991-92 beginning July 1, according to official sources here today, reports Xinhua.

A formal agreement to this effect is expected to be signed soon, the sources said. The disbursement of the World Bank loan would enable the Pakistan government to bridge the gap of budgetary deficit which has reportedly touched 2,570 million US Dollars, sources said.

Pavlov warns of force to keep work going

MOSCOW, Apr 24: Soviet Prime Minister Valentin Pavlov has warned of tough measures to help keep industry working as part of a programme to restore order in the economy, reports Reuter.

Pavlov, presenting President Mikhail Gorbachev's new "anti-crisis programme," said political strikes must be banned and discipline restored. He was speaking on the eve of a general strike called in the western republic of Byelorussia to back demands for a change of government.

US, Bulgaria sign trade accord

WASHINGTON, Apr 24: The United States said it signed a trade agreement with Bulgaria that would boost bilateral economic ties and pave the way for extension of Most-Favoured-Nation (MFN) Trade Status to Bulgaria, reports Reuter.

Approval of the pact by the US Congress and Bulgarian National Assembly is necessary before MFN status, which provides lowest possible tariffs for Bulgarian exports, can be extended, the office of the US Trade Representative said.

South Korean steps to protect farmers

WASHINGTON, Apr 24: South Korea will give more priority to expanding world commerce than to protecting its farmers in revived global trade talks, the Asian country's trade minister said, reports AP.

South Korea was blamed as one of the culprits when the multilateral General Agreement on Tariffs and Trade talks collapsed on the question of farm subsidies last December, but in renewed talks "you will notice that Korea's position... even in the agriculture sector will have changed considerably," Minister Lee Bong-suh said.

Iraq resumes oil shipments to Jordan

AMMAN, Apr 24: Iraq has resumed crude oil shipments to Jordan that were cut off during the Gulf War and Jordanian officials said Tuesday the oil was payment for Iraqi debts to the kingdom, reports AP.

The shipment was the first since the fourth week of January when allied attacks on Iraqi oil facilities and bombing of Jordanian tankers carrying Iraqi oil forced a halt.

Bangladesh Bank rejects Tk 100m bid

Star Economic Report Bangladesh Bank on April 22 rejected a bid for a total amount of Taka 100 million as the prices of the bill offered in the bid was lower than the cut off price, says a Press release issued Wednesday.

The bid was received at the fifth auction of the 91-day Bangladesh Bank bill, it added.

Iran to host international oil conference

TEHERAN, Apr 24: Iran is to host an international oil conference in the central city of Esfahan next month aimed at encouraging "dialogue and mutual understanding" between producers and consumers, reports AFP.

Deputy Foreign Minister Abbas Maleki said here yesterday that 150 foreign delegates were expected to attend the conference, running from May 27-29 and jointly organized by the Iranian Oil and Foreign Ministries.

Directors of US, British, French and Japanese oil firms have been invited, in the first such conference in Iran.

Share trading gets further momentum

Star Economic Report The rally at Dhaka Stock Exchange (DSE) got a further momentum on Wednesday.

With rise in trade volume, the market prices of the listed stocks also gained ground, although on a modest level. Advancers dominated transactions. The DSE All Share Price Index - a broad indicator of price movements of all the listed stocks - registered thus a rise to 356.9085, from Tuesday's 356.6977.

In all 6,833 shares and debentures changed hands compared with Tuesday's 4,560. Traded issues valued Taka 5,91,278.00. It was Taka 2,21,993.00 on Tuesday.

Twenty-five stocks were traded. Of them fourteen remained unchanged at their previous quoted prices.

Beximco Pharma, the lone traded debenture advanced Taka 5.00 to Taka 1730.00.

Bangladesh Taka Aluminium and Apex Tannery moved up Taka 2.00 and Taka 1.22 to Taka 104.00 and Taka 149.00 respectively.

BGIC Insurance, United Insurance, Quasem Drycells, Dhaka Vegetable, Beximco Pharma, Kohinoor Chemical, Eagle Box, Monospool Paper, Dulamia Cotton, Bata Shoe and Chittagong Cement gained within the range between Taka 0.01 and Taka 1.00.

Rahman Chemicals and Bengal Food lost Taka 2.91 and Taka 2.00 to Taka 53.00 and Taka 204.00 respectively.

Aziz Pipes, 5th ICB Mutual Fund, Eastern Pipes and Chittagong Vegetable declined within the range between Taka 0.02 and Taka 1.00.

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Bangladesh Tobacco Company, the country's largest multinational, experienced in 1990 another tough year of operations with its sales falling by 19 per cent compared to 1989.

The operational odds of the company, compounded by the government's high taxation rates and free flow of smuggled cigarettes to the market, led to reduction in its overall contributions to the public exchequer.

Contributions in the form of excise duty, corporate tax, other government taxes and duties, dividend payments and tax on dividends for its parent company - British American Tobacco (BAT), were seven per cent lower at Taka 529.37 crore in 1990 compared with Taka 624.10 crore in 1989.

The BTC top executives announced the operational results of the company for 1990 at a press conference at Hotel Sonargon on Wednesday. EDC Chairman M Muzaffar Hossain, its Managing Director R M H Duncan, and other directors reviewed the performance of the company at the press conference.

The Annual General Meeting (AGM) of its shareholders were held on Tuesday, where the company's accounts and reports of its directors and auditors for 1990 were placed and approved.

The per-tax profits of the company with its 66 per cent equity (share) holdings by BAT

Pak steps to remove bureaucratic control on industry

ISLAMABAD, Apr 24: Pakistan announced a package of economic reforms aimed at boosting exports and removing bureaucratic controls on industry, reports Reuter.

Minister told reporters the government had agreed to tackle duty constraints on raw material imports and industrialisation.

New export processing units, already allowed to import duty free raw materials and machinery, would no longer have to pay a six per cent import licence fee.

Commerce Minister Mohammad Naeem Khan told a news conference.

The scheme would be expanded to existing factories as long as they exported at least 70 per cent of their production, Khan said.

He announced measures to streamline export processing and ensure adequate storage and transport, particularly for perishable commodities like fruit and vegetables.

The private sector would be urged to set up specialist export financing institutions and be given grants to start material training centres.

The package is part of a number of recent initiatives to liberalise currency controls and reform regulations stifling foreign investment.

It would be expanded to the government budget at the end of May, Industry Minister Shujaat Hussain said.

In a separate news briefing he announced tax incentives for the ceramics industry and measures to encourage modernisation of the key textile, engineering and fish product sectors.

Sharp rise in oil price

LONDON, Apr 24: Oil prices rose sharply boosted by worries about tight gasoline supplies in the United States, trade sources said, reports Reuter.

"The gasoline market continues to be the driver," said Lester Paine of Smith Barney Energy Futures in Houston, Texas.

US light crude oil futures for May delivery on the New York Mercantile Exchange were up 65 Cents to 21.68 Dollars a barrel.

Trade sources said the crude oil market's recent rise stemmed from concern about last week's American Petroleum Institute (API) statistics, which showed US gasoline inventories at 16-year lows.

Traders on both sides of the Atlantic were eagerly awaiting this week's API statistics, due to be published late on Tuesday.

"Again it's the APIs which will determine this week's moves," one London Futures broker said.



Lucky winners of British Airways World's Biggest Offer seen at ZIA before their departure for London on Tuesday.

Bangladesh takes part in world's biggest offer

Bangladesh participated in the World's Biggest Offer when British Airways carried all passengers free to London on Tuesday. On this day 50000 passengers worldwide were carried free on all BA flights in every class including Concorde, according to a Press release.

The lucky winners of British Airways World's Biggest Offer and the passengers travelling on BA flight to London on April 23 were seen off at the airport in grand style by BA. A traditional band played music for the departing passengers and the whole check-in area was decorated colourfully. All BA staff from Dhaka office, dressed traditionally, were at the airport to see off the passengers - the ladies in jamdani sarees and the men in Bengali and English historical costumes.

The World's Biggest Offer is just part of a six-month campaign of promotions and incentives launched by British Airways.

Price Barometer Essentials

Table with columns for Rice, Vegetables, Cereals, Fish, Meat, Oil, and Miscellaneous. Includes sub-sections for April 24 and April 25.

US favours increased World Bank private lending in poor states

WASHINGTON, Apr 24: The World Bank (WB) should be "more aggressive" in sponsoring the development of the private sector in developing countries, Under Secretary of the Treasury David Mulford says, according to a press release issued in Dhaka by the United States Information Service (USIS).

Mulford suggested that a change in the World Bank's charter currently prohibiting direct loans to the private sector be examined the next time the Bank's members consider a replenishment of the Bank's capital.

"Such a replenishment is not expected for several years. In April 23 testimony before a Senate Foreign Relations subcommittee, the Under Secretary acknowledged considerable opposition to this idea within the World Bank because of concern that such loans would damage the World Bank's high credit ratings on the bonds it sells to finance its operations."

Mulford countered that the World Bank would not be conducting operations like a commercial bank but in many cases funding projects similar to what they fund now.

"We would like them to be more aggressive," he said. "The World Bank's private sector activities should be strengthened and enhanced, and there should be better coordination between the World Bank and the IFC on key policy issues regarding private sector development and privatization," Mulford told the committee. "We are encouraging both the IFC and World Bank to increase their support for privatization of government entities. We also want the IFC to be more selective in the countries and sectors in which it operates."

Mulford said it remains unclear at this time whether the capital increase sought by the IFC can be worked out this year.

Mulford also said that the United States has received a commitment from Japan for financial support for a new Multilateral Investment Fund (MIF) that would be part of the Inter-American Development Bank (IDB) and would target resources to support investment reforms in Latin America.

ADB growth projections on Asian states

The following is a country by country gross domestic product (GDP) growth forecast for 1991 compared to growth rates in the previous two years. In a study released by Asian Development Bank (ADB) on the eve of its annual meeting

Table showing GDP growth projections for 1989, 1990, and 1991 for various Asian countries.

Gold & Silver

Table showing Gold and Silver prices for April 24.

Hides & Skin

Table showing Hides and Skin prices for April 24.

Exchange Rates

Table showing Exchange Rates for April 24.

Raw Jute

Table showing Raw Jute prices for April 24.

Dhaka Stock Exchange Market Profile

Table showing Dhaka Stock Exchange Market Profile for April 24, including 134 listed stocks, 14 gains, 6 losers, and 114 unchanged.

114 Unchanged stocks include five traded on the day at their previous quoted prices. DSE All Share Price Index = 356.9085 Issued Capital-Taka 10,146,299,601.00 Market Capitalisation = 10,198,792,001.00 Turnover = Taka 5,91,278.00 (Value) 6,833 Volume.