

Slowdown worries finance leaders

WASHINGTON, Apr 26: A slowdown of business spreading over the world after the Gulf war is preoccupying leaders from 155 countries here for semi-annual meetings of the World Bank and the International Monetary Fund, reports AP.

Official talks open Friday with a meeting of officials from 24 Third World countries. They will press richer countries to ease the burden of Third World debt, to open their markets wider to Third World goods, and to give them more aid.

Michel Camdessus, the Frenchman who heads the fund, welcomed on Thursday a Japanese plan to help them with an issue of "special drawing rights" (SDRs). This is the fund's own type of money, usable only among governments, and last issued in 1981. The US government has blocked new issues, arguing that new money would encourage inflation.

The United States, Canada and Britain have been hardest hit by the slowdown.

India sees no risk of default on debt

VANCOUVER, Apr 26: India is at no risk of defaulting on its international debt despite balance of payments woes caused by the Gulf crisis, Finance Secretary V.P. Shukla said here, reports Reuter.

"We will continue to maintain an impeccable record on debt service and on contractual payments," he said in an interview.

"Irrespective of political parties in power there is a national consensus that this will be maintained," India, with foreign debts of more than 70 billion dollars, was badly hit by the Gulf crisis cut exports, halted earnings from migrant workers and badly affected tourism. The loss of foreign earnings was about two billion dollars, Shukla said.

With its reserves of foreign currency cut to a level where they covered less than a month's imports, India was forced to borrow 1.9 billion dollars from the International Monetary Fund.

Jute cultivation slows

Jute Cultivation in Bangladesh increased least among the world jute producing countries in 1990-91 although jute prices rose in the international markets, according to International Jute Organisation (IJO).

The area brought under jute cultivation increased in Bangladesh by only three per cent. The figure was 12.5 and 17 per cent respectively for India and Thailand. China increased cultivation by 10 per cent and Nepal by six per cent. Presently Bangladesh has 1,380 thousand acres of land under jute production.

The world production of jute and allied fibres in 1990-91 was 3.64 million tons as against 3.19 million tons in 1990. International Jute Organisation (IJO) puts this success to favourable weather both at the time of sowing and harvesting and availability of seed at reasonable prices.

China, Thailand and Nepal increased natural fibre production by 11 per cent, 20 per cent and 15 per cent respectively in 1990-91. But in Bangladesh, production rose by only 1.3 per cent.

In 1990-91, out of the world production of 3,641 thousand metric tons, Bangladesh was in the second position with a production of 846 thousand tons. India was the top producer with 1,620 thousand metric tons.

Except in India, the total supply position of fibre in the

Jute cultivation slows

By Inam Ahmed

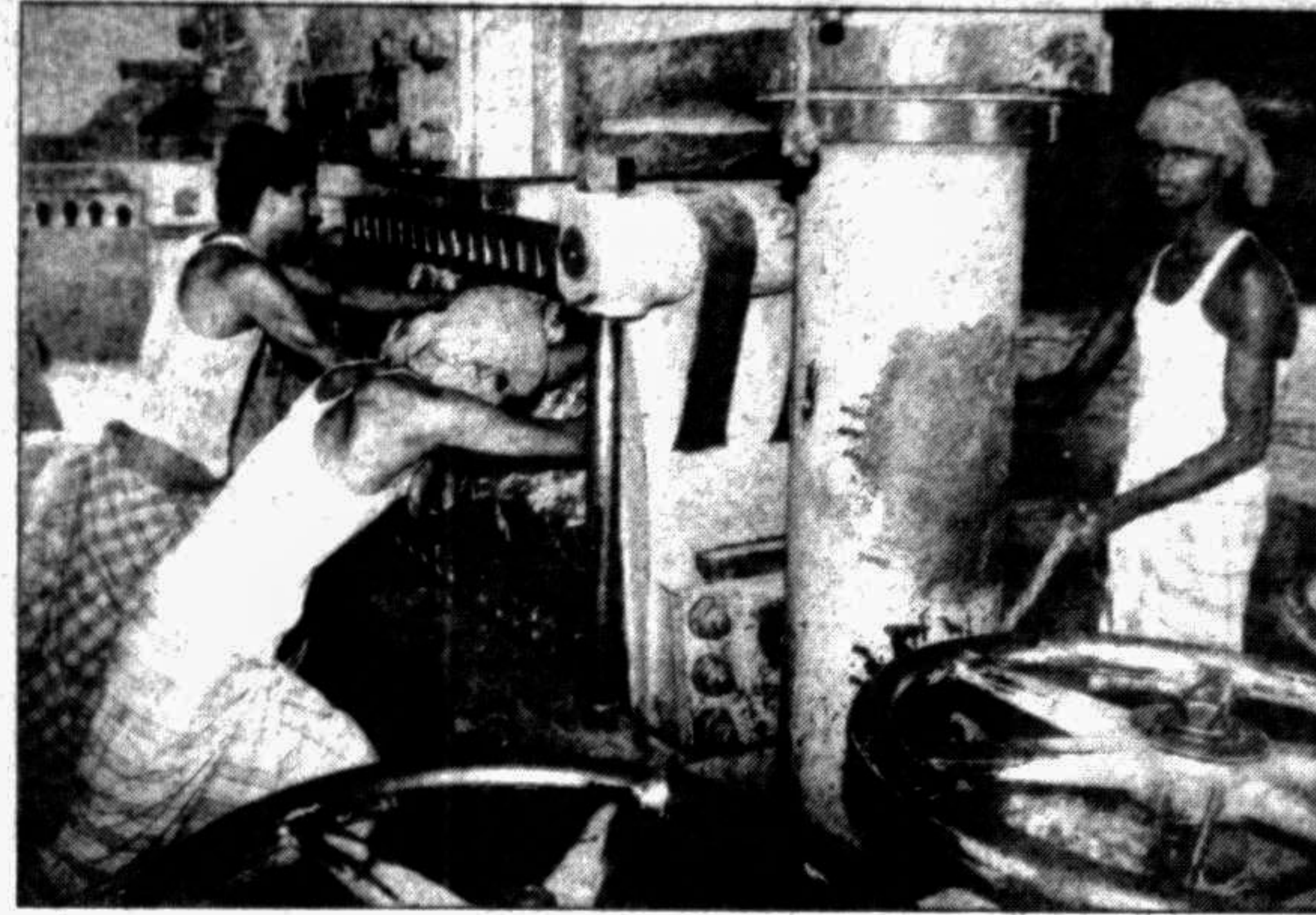
major producing countries has not improved in 1990-91. This is mainly because the output increase in the year took place on a lower level of opening stocks. The total supply was only sufficient to meet mill and other consumption requirements and exports. Because of this year end stocks were lower in the major producing countries. Even with the higher level of production in 1990-91, the total availability of fibre in Bangladesh, Thailand and Nepal is this, lower.

This will eventually lead to a smaller level of year end stock in 1990-91 in these countries, IJO forecasts.

The Export price of raw jute has been stable since '87. For BWD grade of Bangladesh, the price was at \$70 US Dollar per metric ton in 1989-90. It increased to \$40 US Dollar in 1990-91.

The increase in export price was, however, much below the rate of increase in the price in the domestic market. The internal prices of jute fibre rose from Taka 654 in 1988-89 to Taka 905.8 for 100 kilograms (kgs) in 1989-90.

There were significant increases in export of fibre by



Jute baling is in progress at a baling plant near Dhaka. — Star Photo

But export of fibre in 1990-91 is expected to fall in the major exporting countries except India. Bangladesh has set a target of raw jute export of 1.7 million bales as against 2.07 million bales exported in 1990-91.

The IJO projects a marginal increase in total production of jute goods in the major jute producing countries is expected in 1990-91.

Bangladesh, India and Nepal are likely to become the main jute goods producers in the year. Production of jute goods is projected at 390 thousand metric tons in Bangladesh and 1350 thousand metric tons in India.

Meanwhile export prices of Bangladesh jute goods fell while those of India rose in 1989-90. The price of Bangladesh hessian cloth and sacking remained at 20 US Dollar per 100 yards and 43 US Dollar per 100 bags respectively. On the other hand, India got much higher prices — 24 US Dollar and 66 US Dollar for hessian and sacking.

World export of natural fibre products recovered slightly in 1989-90 but it was still below than the level of 1986-87. Total world export of jute products in 1989-90 was 959 thousand metric tons, only about 2.5 per cent above the previous year. Export from Bangladesh rose by 7.5 per cent while it rose by 5.4 per cent in India.

Snippets

Gorbachev-Yeltsin pact ignores crisis

WASHINGTON, Apr 26: A pact-between Soviet President Mikhail Gorbachev and his rival Boris Yeltsin is "absolute madness" because it continues to ignore the country's economic crisis instead of tackling it head-on, a leading Western expert on the Soviet economy said, reports Reuter.

Speaking to a forum in connection with the International Monetary Fund (IMF), World Bank (WB) meeting, Anders Aslund said the pact was typical of lax Soviet economic policy which was likely to lead to a crackdown, as in formerly communist Poland in 1981.

Bulgaria hopes Iraq to repay oil debt

SOFIA, Apr 26: Bulgaria hopes Iraq will honour an agreement to settle its one billion Dollars debt to Sofia in oil, a senior Bulgarian trade official said, reports Reuter.

The year-old agreement, however, was suspended after the UN imposed sanctions against Iraq.

Vladimir Karpachev, department chief in the Foreign Economic Relations Ministry, said the two sides had not yet discussed the issue. "Because of the war, we didn't receive this oil. Two days ago we reopened our embassy in Baghdad and talks with the Iraqi authorities about the debt and its payment with oil will be the first important task," he added.

ADB meet in HK next year

HONG KONG, Apr 26: The Asian Development Bank (ADB) will hold its annual meeting in Hong Kong next year, a government spokesman said today, reports Reuter.

Some 2,000 to 3,000 ADB delegates, bankers and financial figures are expected to attend the meeting, from May 4 to 6, 1992, he said.

Fifty-one countries belong to the Manila-based bank, which was launched in 1966. This year's annual meeting was held in Vancouver, Canada.

IMF iterates support for SDR allocation

WASHINGTON, Apr 26: International Monetary Fund (IMF) Director Michel Camdessus reiterated his support for a allocation of Special Drawing Rights (SDR) by the IMF, reports Reuter.

Camdessus said he was delighted to hear that Japan might suggest an allocation of SDRs, the IMF's artificial currency, to help head of a threatened global credit squeeze.

He was now discussing with the IMF's executive board the question of an SDR allocation after the IMF quota increase becomes effective at the end of the year.

Iraq may be forced to pay Kuwaitis

WASHINGTON, Apr 26: Iraq may be forced to pay as much as half its future oil profits as compensation to victims of its invasion of Kuwait and the consequent Gulf war, a senior US official said on Thursday, reports Reuter.

The Bush Administration official, who spoke to Reuters on condition he was not named, said discussions had begun among the permanent five members of the United Nations Security Council to set up a commission to oversee the collection and disbursement of compensation funds.

World air traffic still suffering

GENEVA, Apr 26: World air traffic has still not recovered from the effects of the Gulf war, Director General of the International Air Transport Association (IATA) Guenter Easer said here Thursday, reports AP.

IATA put its members' losses at two billion Dollars in the first two months of this year.

Fears of Iraqi-inspired terrorist attacks in revenge for allied armed intervention to oust Iraq from Kuwait have been deemed responsible for the grounding of many passengers.

IMF sides with Germany

WASHINGTON, Apr 26: The International Monetary Fund (IMF) has sided squarely with Germany in urging caution against cutting interest rates, but US President George Bush says lower rates are needed to spur sluggish world economies, reports Reuter.

The interest rate dispute will take centre stage at this weekend's meeting of the finance ministers and central bank governors of the Group of Seven (G-7) industrial nations. The G-7 includes Britain, Canada, France, Germany, Italy, Japan and the United States.

\$1.46 trillion budget okayed ignoring Bush's plan

WASHINGTON, Apr 26: The Senate has approved a 1.46-trillion-dollar Democratic budget for 1992 that ignores US President George Bush's plan to slash medicare, preserves his proposed defence spending and boosts his requests for education, transportation and other health programmes, reports AP.

The measure was adopted Thursday on a voice vote after three days of debate.

Bridled by near-record 290-billion-dollar deficit, the spending plan contains no dramatic domestic initiatives. Republicans put their stamp on the measure with a provision making it all but impossible for taxes to be raised to pay for any new programmes Congress enacts later in the year.

The budget contains no tax increases. But it also rejects Bush's call for a reduction in the capital gains tax rate, a proposal that lawmakers have

US Gulf war cost likely to reach \$100b

WASHINGTON, Apr 26: The U.S. cost of the Gulf war may reach 100 billion dollars and contributions from Allies will cover only about half of that, Congress's Chief Auditor said on Thursday, reports Reuter.

Previous war cost estimates have run as high as 70.5 billion dollars, but U.S. Comptroller General Charles Bowsher told the Senate Armed Services Committee he believed costs "will ultimately total as much as 100 billion dollars."

He said that includes 50 billion dollars for raising, equipping and maintaining the 500,000-strong war force, 40 billion dollars for war operations themselves, and another 10 billion dollars in other costs including foregone seven billion dollars of Egyptian debt in exchange for Egypt's participation in the war.

Bowsher, head of Congress's General Accounting Office, said Allies had paid about 35 billion dollars as of last week of the 53.5 billion dollars.

Conditional WB aid to poor states proposed

WASHINGTON, Apr 26: The World Bank and other international organisations should make financial assistance to developing countries conditional on reductions in military spending, Robert McNamara, former President of the World Bank and former US Defence Secretary said, reports Reuter.

McNamara made the proposal as part of a plan for the post-cold war world. Along with strict arms control and United Nations guarantees of borders, it could have military spending as a percentage of Gross National Product by the end of the decade, he said.

"The role of the military is, of course, the prerogative of each government. The international community nonetheless needs to identify ways in which it can reward those countries which reduce their security-related expenditures, thereby signalling that priorities have been altered in favour of development," McNamara told the World Bank's annual conference on development economics.

Which, making foreign aid and loan decisions, international organisations should give special consideration to countries spending less than two per cent of their GNP in the security sector, McNamara said.

Developing countries in 1988 spent about 170 billion Dollars on arms, or 4.3 per cent of GNP, only slightly less than they spent on Health and Education, McNamara said.

The current President of the World Bank, Barber Conable, has drawn attention to the wastefulness of arms spending, and officials say they regularly raise the issue with borrowers when discussing government spending levels and priorities.

Heavy arms spending, which in developing countries quintupled between 1960 and 1988, also boosts the political influence of the armed forces at the expense of civilian groups.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

On April 20 and April 25, 1991.

		1990-91		1990-91	
		April 20	April 25	High	Low
Company	EV/ML	Taka	Taka	Taka	Taka
BANKS (Ten)					
AL Baraka Bank	1000/1	995.00	995.00	1135.00	960.00
AB Bank	100/5	150.00	150.00	255.00	135.00
City Bank	100/5	270.00	270.00	255.00	160.00
IFIC	100/5	200.00	200.00	235.00	140.00
Islami Bank	1000/1	1150.00	1150.00	1150.00	925.00
National Bank	100/5	110.00	110.00	115.00	90.00
Punjab Bank	100/5	110.00	110.00	115.00	90.00
Rupali Bank	100/10	95.00	95.00	130.00	75.00
U.C.B.L.	100/5	130.00	130.00	155.00	130.00
Uttara Bank	100/5	210.00	210.00	240.00	193.00
INVESTMENT (Eight)					
ICB	100/5	97.00	97.00	117.50	90.00
1st ICB M.Fund	100/5	435.00	435.00	575.00	405.00
2nd ICB M.Fund	100/5	198.00	198.00	220.00	170.00
3rd ICB M.Fund	100/5	155.00	154.00	173.00	143.00
4th ICB M.Fund	100/10	146.75	146.75	161.00	133.00
5th ICB M.Fund	100/10	125.00	124.90	142.00	115.00
6th ICB M.Fund	100/10	95.00	96.00	104.00	85.00
ICB Unit Cert.					
Sales Price		129.00	129.00		
Re-purchase		124.00	124.00		
INSURANCE (Four)					
BIGC	100/10	114.00	114.00	117.50	104.00
Green Delta	100/10	115.00	115.00	122.00	104.50
Peoples	100/10	120.00AL	120.00AL	118.00	108.00
United	100/10	116.00AL	117.00AL	120.00	105.00
ENGINEERING (Nineteen)					
Aftab Automobiles	100/5	213.00	213.00	232.00	194.00
Atlas Bangladesh	1050	44.00	44.00	48.00	35.50
Aziz Pipes	100/5	232.00	231.98	250.00	200.00
Bangladesh Autocars	100/5	114.00	115.00	157.00	113.00
Bangladesh Lamps	100/5	290.00	290.00	365.00	230.00
B.Thal Aluminium	100/10	98.00AL	104.00AL	110.00	75.00
Bengal Carbide	100/5	400.00	400.00	450.00	320.00
Bengal Steel	10/50	18.00	18.00		
Eastern Cables	100/5	108.00	104.26	105.00	78.00
Howlader PVC	100/10	120.00	120.00	122.00	108.00
Karim Pipe	100/5	128.00	128.00	1390.00	115.00
Matalex Corp.	100/5	97.00	98.00	113.00	75.00
Morino Staffers	10/5	250.00	250.00	250.00	250.00
Morino Jute	100/5	400.00	400.00		
National Tubes	100/10	137.00	137.00	137.00	102.00
Panther Steel	10/50	6.00	6.00		
Quasem Drycells	10/50	8.00	8.00	9.30	7.25
Rennick Jajneswar	100/5	70.00	69.00	75.00	40.00
Singer Bangladesh	100/5	1150.00	1125.00	1150.00	1150.00
FOOD & ALLIED (Twenty-one)					
A.B. Biscuit	100/5	200.00	200.00	290.00	200.00
Alpha Tobacco	10/50	48.00	48.00	48.00	48.00
Asian Sea Food	100/5	36.00	36.00	40.00	36.00
Apex Food	100/5	340.00	340.00	340.00	260.00
Aroma Tea	100/5	45.00	45.00	52.00	54.00
Bargas	100/5	305.00	305.00		
Bengal Food	100/5	2085.00	206.00	255.00	170.00
B.L.T.C.	100/5	600.00	600.00	600.00	600.00
B.T.C.	100/5	83.00	83.00	83.00	80.00
Cig. Vegetable	100/0	115.00	115.00	116.00	90.00
Dhaka Vegetable	100/5	159.00	156.00	192.00	152.00
E.L. Cemeilia	100/5	700.00	700.00	700.00	500.00
Frogleg Export	10/50	6.00	6.00		
Gemini Sea Food	100/5	100.00	100.00	100.00	100.00
Modern Industries	100/5	150.00	150.00	135.00	120.00
N.T.C.	100/5	280.00	280.00	350.00	220.00
Rubeya Flour	10/100	NT	NT		
Rupani Oil	10/100	7.10AL	7.10AL	9.25	6.50
Tulip Dairy	100/10	101.00AL	101.00AL	105.00	101.00
Yousuf Flour	10/50	NT	NT		
Zeal Bangla	10/50	9.24	9.25	10.00	7.4
FUEL & POWER (Three)					
Padma Oil Co.	10/50	40.00	40.00	47.00	40.00
Eastern Lubricant	10/50	14.00	14.00		
Oxyzen	10/50	58.00	56.00	90.00	50.00
JUTE (Twelve)					
Ahad Jute	100/10	NT	NT		
Anowara Jute	10/50	NT	NT		
Delta Jute	10/50	8.50	8.50		
Gowalia Jute	10/50	NT	NT		

Company news

Star Economic Report

Nine companies have announced the dates of the Annual General Meeting (AGM) of their shareholders. The AGMs will be held between April 28 and June 12.

The companies are: Pubali Bank April 28, BLTC April 30, National Tea Company (NTC) — May 4, National Tubes Ltd. May 7, Modern Industries — May 9, Singer Bangladesh — May 18, Eastern Cables Ltd. — May 30, Bata Shoe — June 1 and Kohinoor Chemical Ltd. — June 12.

The book closures of the companies for share transfer purpose will be as follows: Pubali Bank (April 11 to April 28), BLTC (April 24 to April 30), NTC (April 18 to May 4), National Tubes Ltd. (April 26 to May 7), Modern Industries (April 23 to May 9), Singer Bangladesh (May 5 to May 18), Eastern Cables Ltd. (May 5 to May 30), Bata Shoe (May 19 to June 1) and Kohinoor Chemical Ltd. (May 14 to June 12).

Among the companies under report, Pubali Bank did not declare any dividend in either 1990 or 1989. BLTC declared 30 per cent dividend in 1990 and 27.50 per cent in 1989. National Tea Company — 20 per cent in 1990 and 17.50 per cent in 1989. National Tubes Ltd. — 15 per cent in 1990 and 20 per cent in 1989. Modern Industries — 10 per cent both in 1990 and 1989. Singer Bangladesh — 25 per cent in 1990 and 45 per cent in 1989. Eastern Cables Ltd. — 15 per cent in 1990 and nil in 1989. Bata Shoe — 7.50 per cent (Final) in 1990 and 7.50 per cent (Interim) in 1989, and Kohinoor Chemical Ltd. — 10 per cent in 1990 and 12.5 per cent in 1989.

Asian economy still robust, says IMF

WASHINGTON, Apr 26: The developing nations of Asia continue to outpace other Third World countries in economic growth, but the area's overall performance masks "considerable differences" within the region, the International Monetary Fund (IMF) said, reports APF.

Looking ahead, the IMF predicts average economic growth in Asia of five per cent in 1991-92, "still robust, but three percentage points below the average growth of 1983-89."

In its semi-annual "world economic outlook," the IMF

said: "The sustained growth in real per capital output in the developing countries of Asia during the 1980's is in sharp contrast to the stagnant or declining trend in other regions."

"However, the impressive performance of Asia as a whole masks considerable differences among countries within the region."

Leading the regional growth were such countries as China, Hong Kong, Indonesia, South Korea, Malaysia, Singapore, Taiwan and Thailand. "The strength of economic activity in these countries," said the IMF report.

World interest rates can't be forced to fall

WASHINGTON, Apr 26: International Monetary Fund Managing Director Michel Camdessus said that interest rates cannot be forced lower and that inflation is still at a "relatively high level" in the industrial world, reports Reuter.

While voicing understanding of those who call for faster growth in the industrial world, Camdessus said that major nations must not lose sight "for a single second" of the dangers of inflation.

He told a news conference that attempts to artificially force down short term interest rates run the risk of leading to a rise in long term interest rates.

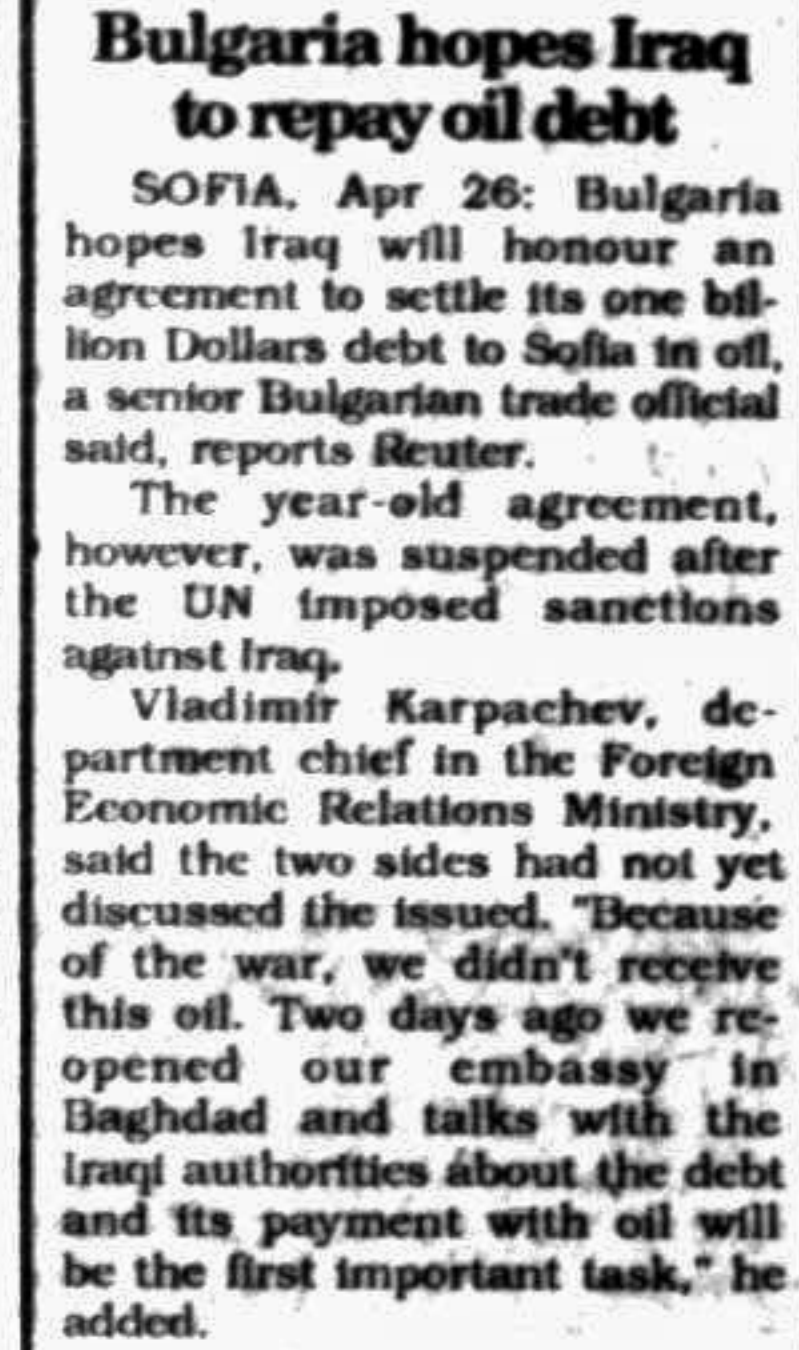
Camdessus urged the US, Canada and Germany to "faithfully" implement their recent commitments to cut their budget deficits, saying financial markets could not have better news than that.

He ticked off a number of factors that point to a recovery in world economic growth.

World interest rates lower

WASHINGTON, Apr 26: President Bush said he would like to see world interest rates, including those in the United States, come down, reports Reuter.

"We want to see these interest rates down a little bit, including our own," Bush said while posing for pictures in the oval office with former Japanese Prime Minister Noboru Takeshita.



Dhaka Sheraton Hotel added a brand new airconditioned luxury coach recently in order to facilitate guest transfer between airport and hotel on a complimentary basis. Picture shows Giorgio Burigana General Manager of the hotel with some passengers.