

Sharp fall in US trade gap

NEW YORK, May 19: The US recession has produced at least one economic benefit — sluggish demand for foreign consumer goods has sharply improved the US trade picture, reports Reuters.

Economists say US trade deficit is the silver lining of the current downturn. The United States is finally showing signs of catching up with its industrial partners after years of lagging on trade.

Since 1983, the United States has imported more goods than it has shipped out, spawning debate on whether the nation lost its competitive edge to Europe and the Far East.

But since last July, American consumers have been pinched by recession at home and that has lately translated into fewer purchases of foreign goods.

In March imports fell a hefty 2.7 per cent to 38.04 billion dollars, and the overall US trade deficit fell 26.5 per cent to just over four billion dollars — its lowest level in 7-1/2 years, according to government figures released on Friday.

Economists said that aside from oil, imports fell across the board.

Decliners dominate share trading

Star Economic Report

Dhaka bourse on Sunday witnessed a modest rise with decliners domination in transactions.

The Composite Index of Dhaka Stock Exchange (DSE) went down to 345.1298 points from Saturday's 345.3379. Index is the broad indicator of price movements of all the listed stocks.

In all 3,877 shares changed hands compared with Saturday's 3,395. Traded issues valued Taka 2,85,395.00. It was Taka 1,76,640.00 on the previous day.

Transactions involved twenty-two stocks. Of them fourteen lost and seven gained in prices.

City Bank, IFIC Bank and Pharma Aids lost Taka 5.00 each to Taka 270.00, Taka 190.00 and Taka 180.00 respectively.

National Tubes, Kohinoor Chemical and 3rd ICB Mutual Fund declined Taka 4.95, Taka 3.00 and Taka 1.60 to Taka 105.05, Taka 66.00 and Taka 152.40.

BGIC Insurance, Aftab Automobiles, Bangladesh That Aluminium, Eagle Box, Dulamia Cotton, Saimhan Textiles, Talu Spinning and Savar Refractories lost within the range between Taka 0.06 and Taka 1.00.

Chittagong Cement and Eastern Cables moved up Taka 2.00 and Taka 1.41 to Taka 142.00 and Taka 77.41 respectively.

Green Delta Insurance, 4th ICB Mutual Fund, Bangladesh Autocars, Rupan Oil and Monno Ceramic gained within the range between Taka 0.40 and Taka 1.00.

Quoted Prices of Traded Stocks

Table with columns: Stock Name, Price, Change. Lists various stocks like City Bank, IFIC, National Tubes, etc.

Source: Department of Agricultural Marketing

PDB benefits from 1-pt metering system

By Shahzad Monju

One point metering system in the city markets has increased the income of Power Development Board (PDB) three to four times higher than before, PDB sources said.

Fifty thousand units, received monthly from Mouchak market in the individual metering system, have been transformed into 1.50 lakh units in one point metering system raising the amount of Taka 2,10,000 more, they pointed out.

PDB introduced one point metering system in the country in January 1990. Government took the decision for launching the system in July 1989 while PDB had directed to implement the decision in December '89.

Among 200 markets of

Dhaka city, PDB introduced the new system to 80 markets, a highly placed PDB source said, adding that PDB will gradually expand its new system.

Appreciable results from launching one point metering system have also been received from different city markets including Gausia, Chishtia, Baitul Mukarram, Century Orchard, Chadni Chak, Balaka, New Super Market and Khilgaon Market, PDB said.

Sixty thousand units of Baitul Mukarram have now turned into two lakh unit increasing Taka 2,94,000 more than before, PDB sources said and added that PDB now gets Tk 1,30,200 and Tk 1,05,000 more per month from Gausia and Chishtia market respec-

tively through one point metering system.

One point metering system is able to check unit pilferage which is found as a normal sequence in most of the markets and flats, PDB authorities claimed. The sources said that some employees of PDB were also involved in pilferage.

The arrangement and process of collecting bill of the metre has also been easy in this system, they observed.

PDB authorities also told the Daily Star that before launching new metering system in city markets, they had discussed about the system with the leaders of businessmen of the market and authorities of the market in various meetings.

Comecon goes next month

MOSCOW, May 19: Comecon, the trade group that struggled for 42 years to integrate the economies of the Soviet bloc, will be dissolved next month, reports Reuters.

Trade and economy Ministers from Comecon, the nine-nation Council for Mutual Economic Assistance (CMEA), passed the death sentence on the organisation at a two-day meeting in Moscow.

The burial will take place at a final Comecon meeting in Budapest on June 28, Hungary's International Economic Relations Minister Bela Kadar told a news conference yesterday.

Members will continue to help each other on the difficult road to a market economy and try to revive their flagging trade. "The delegations were unanimous that the dissolution... is not the funeral of cooperation as such," Kadar said.

Comecon will formally expire at the end of September, 90 days after the documents dissolving it are signed. The signing in Budapest will be attended by the ministers who came to Moscow, not the Prime Ministers who made up the ruling council.

Following the Budapest meeting, a liquidation commission will discuss sharing out Comecon property, which includes its headquarters in a Moscow skyscraper beside the Moskva river.

"The main question is its

property and there are no identical positions among the delegations," Kadar said.

Cooperation between members of Comecon — the Soviet Union, Bulgaria, Czechoslovakia, Hungary, Poland and Romania, and Moscow's Third World allies Cuba, Mongolia and Vietnam — would in future be bilateral and from mutual advantage, Kadar said.

They would also set up a new consultative body to discuss common problems and exchange economic information.

"It will be a kind of forum enabling certain countries to open up to the world economy and to adapt to a market economy," Kadar said. The new body could also look at regional problems such as the environment and infrastructure.

Ministers have not yet agreed details of the new body, including whether membership should be limited to Europe or whether Comecon's Third World countries could participate.

Comecon was founded in 1949 to integrate the economies of the Soviet bloc by harmonising central plans and allowing different countries to specialise in different industries.

The Soviet Union, rich in natural resources but relatively underdeveloped, provided cheap energy and raw materials to its industrialised allies, who in return supplied it and each other with cheap, but poor-quality, manufactured goods.

Though Comecon succeeded in its aim of integration — five years ago members conducted 60 per cent of their foreign trade with each other — the system meant members were cut off from the world market and its competitive influences.

Trade was conducted through a web of interlocking government barter agreements and deals were booked in an accounting unit, the transferable rouble — which had no real existence.

China won't collapse if US revokes MFN status

WASHINGTON, May 19: China would not collapse if the United States revoked its most favoured nations (MFN) trading status, Chinese President Yang Shangkun said in an interview with the weekly US News and World Report, says AFP.

While admitting that without MFN status China would "suffer losses... lose some hard currency and capital" and its "exports would be greatly reduced," Yang, 84, stressed that "China will not collapse under embargo."

MFN status for China runs out on June 3. Last Thursday several US Senators introduced a bill that would sever that status in six months unless President George Bush could certify that reported human rights, weapons proliferation and unfair trade and

labour practices by China have ended.

Bush has taken a strong stance in favour of renewing MFN status for China for another year, but White House officials have said he may call for some conditions for renewal.

Yang, in his interview with the magazine earlier this month in Beijing, said: "China has done nothing wrong to the United States... if there are some disagreements, they can certainly be negotiated, discussed and resolved through normal consultations."

"Groundless reports and accusations are not helpful to good relations," the Chinese President warned.

He denied reports that China had sold intermediate-range missiles to Iran or Syria.

Asian units gain against US Dollar

HONG KONG, May 19: Most Asian currencies rebounded against the US Dollar during the week with only the Indonesian Rupiah finishing marginally lower, reports AFP.

The Australian, Hong Kong, Japanese, Malaysian, New Zealand, Philippine, Singapore, South Korean, Taiwan and Thai units all rose against the Greenback, while the Rupiah fell to a record low before recovering.

Japanese Yen: The Yen rose moderately to finish at 137.72 to the Greenback on the Tokyo foreign exchange market, against 138.58 Yen the previous week.

After opening at 139.25 Yen Monday, the local unit moved between 137.07 Yen and

139.68 Yen during the week. Finance Minister Ryutaro Hashimoto said Tuesday he was dissatisfied with the Yen's lower exchange value.

Australian Dollar: The Australian Dollar closed slightly higher at 78.25 US cents against 78.20 US cents a week earlier.

The local currency ended at 59.9 on the trade-weighted index against 60.2 a week earlier. One bank tipped the Dollar to keep trading within a narrow range against the Greenback.

Hong Kong Dollar: The Hong Kong currency sustained its climb to finish the week at 7.7895-7.7905 to the US Dollar, compared with 7.7923-7.7933 the previous Friday.

ADB, Japanese emergency loan for India

TOKYO, May 19: Japan and the Asian Development Bank (ADB) will extend emergency loans worth 300 million dollars to India this month to help it through its current financial crisis, a leading economic newspaper said today, reports AFP.

The Nihon Keizai said the Japanese Government and Manila-based ADB would each provide loans worth 150 million dollars. It failed to mention the terms of the loans or their interest rates.

The paper quoted international monetary sources here as saying India's fund shortage would reach three billion dollars by the end of September and that Japanese and ADB loans could cover up to the end of June.

Japan also plans to set up a team to work with the World Bank and other major industrialised nations to help India address its financial crisis after July the newspaper said.

Egypt lone buyer in tea market

Star Economic Report

Demand for tea once again mainly emanated from the internal buyers with Egypt the only export account. Holding lower limits they could only pick small quantities of fannings. Dust market was totally supported by the internal buyers.

Flood situation has worsened in Sylhet district and road links has been snapped, there has been no arrivals at the warehouse in the past few days.

Offerings comprised of 10,222 packages of leaf. There was good demand in the early stages of the sale but demand weakened as the sale progressed and there were some withdrawals, according to sale report of May 14 by Unity Brokers Limited.

CTC: Bold Brokens had virtually no demand and were withdrawn. Smaller types met

selective demand at about firm prices. Medium and plainer varieties readily sold at Tk. 0.33 below valuations. Selective popular brokens sold at Tk 53.00 to Tk 56.80. Fannings were in good demand and mostly sold at firm to slightly easier rates. Some popular marks sold in between Tk 56.00 and Tk 61.50.

Dust: 2,207 packages on offer met good general demand at around last rates. Clean powdery types however appreciated by Tk 1 to Tk 3 per kg.

Sale No 3 will be held on May 21 at 8.30 a.m. in which total offerings will comprise of approximately 11,000 packages leaf and 2,000 packages dust.

Sale No. 4 is scheduled to be held on May 28 and catalogues have been closed with the arrivals of May 7.



KUTUBDIA: The survivors of devastating cyclone are struggling to find some rice corns out of the damaged sheafs of paddy in their grim battle for survival. — Star photo

Singapore to revamp port facilities

SINGAPORE, May 19: Singapore, which claims the title of the world's top container port, is looking to revamp its facilities and boost capacity sevenfold by the year 2030, Communications Minister Yeo Ning Hong said, reports AFP.

Yeo told a gathering of 700 shipping industry leaders and workers Friday night that options included "building the new port in a more obscure part of Singapore, or on reclaimed land, or a combination of the two," which he said "may create the exciting possibilities for us."

He said the move could

eventually allow the existing port at Tanjong Pagar to be used as an extension of Singapore's financial district when Brani Island, another berthing site, could be converted into a resort.

Experts are studying how to configure the port to maximise use of limited deep and sheltered waters, Mr Yeo said at a "world's number one container port" celebration held by the Port of Singapore Authority (PSA).

The Minister said container traffic topped an annual five million boxes in 1990, and "We

are currently planning for sufficient capacity to handle up to 36 million boxes per annum by the year 2030."

Raw Jute

Table showing Raw Jute prices for May-19. Columns include variety (White, Tossa, Meshta), weight (bales, MT), and price (Tk per 100 Kg).

3 Spanish papers merge into a group

MADRID, May 19: Three Spanish publications have merged into a new group with partial shares sold to Britain's Financial Times and Spain's biggest regional press group, Comecosa, reports AFP.

The three papers in the merge rare the economic daily expansion, the sports daily Marca and the economic weekly Actualidad Economica. Their promoters, respectively Juan Kindelan, Jose Maria Garcia Hoz and Luis Infante, will hold 58 per cent of the capital in the new group, expansion said.

The Financial Times, which currently holds a 35 per cent share in expansions, will hold 25 per cent of the new group and Comecosa 17 per cent, the report said.

Tourists arrival in Beijing rising

BEIJING, May 19: Record numbers of tourists are flocking to Beijing this year, and spending more money than ever, after being frightened away by the crushing of pro-democracy protests in the Chinese capital two years ago, reports Reuters.

The Beijing Ribao newspaper said yesterday that 320,000 foreign visitors arrived in the city in the first four months of 1991, a 17.3 per cent increase over the same period last year and a two per cent rise on the January-April figure for 1988, the previous record year for tourism.

In April alone, 103,000 foreign tourists arrived in Beijing, an 11.5 per cent rise over 1988.

Lamont asked to cut interest rates

LONDON, May 19: Chancellor of the Exchequer Norman Lamont faces strong pressure from within Britain's Conservative Government to make an immediate cut in interest rates, the Sunday Times newspaper reported, Reuters says from London.

Conservative politicians including some senior ministers, plan to press for a swift rate cut to speed the end of the recession and boost government popularity, the paper said.

Gold & Silver

Table showing Gold and Silver prices for May-19. Columns include item (Gold, Silver), weight (Taka per 11.66 grams), and price.

Hides & Skin

Table showing Hides and Skin prices for May-19. Columns include item (Cow, Calf, etc.), weight (Taka per 100 pieces), and price.



Members of the Board of Directors of Dhaka Chamber of Commerce and Industries A.T.M. Wazuliah, Sajjatuj Jumma, A. Rab Chawdhury and Khandker Abdus Salam distributing relief materials among 100 families of Gazipur tornado victims.

Exchange Rates

Table showing Exchange Rates for May-19. Columns include currency (US Dollar, UK Pound, etc.), selling/buying rates, and source (Sonal Bank).