

Official data underestimates actual performance

Manufacturing sector growth rate averaged 7.97 pc during '85-90

Star Economic Report

A detailed Survey Report by Metropolitan Chamber of Commerce and Industry on manufacturing sector revealed that private manufacturing sector recorded an average annual growth of 7.75 per cent in 1985-90.

The employment estimate is about 55 per cent higher than the official data and private sector share in total manufacturing employment is 94 per cent.

The Survey work was limited to private manufacturing establishments having 10 and more employees. The public sector was also covered. Data were collected from sample manufacturing units of the private sector through prescribed questionnaires. Data were also collected from the public sector corporations and enterprises by using the same set of questionnaires.

The Survey report was handed over to Minister of Industries Shamsul Islam Khan on Sunday.

The MCCI Survey for the first time could estimate the share of private sector in total manufacturing value added of the country. The overall manufacturing growth, according to the Survey, averaged 7.97 per cent per annum. In contrast, according to Planning Commission estimate, the overall growth in manufacturing sector averaged only 4.79 per cent per annum in the last 4 years.

The Survey report revealed that the actual performance of manufacturing sector was better than what had so far been estimated officially. The actual performance of the sector received a lower coverage under the official data, the Survey showed.

The MCCI expressed the hope that the Survey would prove itself to be a milestone in the country's journey toward improving and updating statistical data relating to the manufacturing enterprises in both public and private sectors.

With regard to employment in manufacturing sector, the difference between Planning Commission and MCCI Survey estimates was striking. The Survey showed that manufacturing sector employs 4.8 million persons of which 0.3 million (6 per cent) are employed in public sector and 4.5 million (94 per cent) are employed in private sector. It may be mentioned that the Planning Commission estimate to total employment in manufacturing sector at the end of Third Five Year Plan was 3.09 million. This showed employment in manufacturing sector is about 55 per cent higher than the estimate of Planning Commission.

With regard to future prospects, about 25 per cent of private sector enterprises covered under the Survey felt that their prospects were either bright or good while slightly more than 50 per cent felt that their prospects to be "somewhat" and the rest saw the future as "bad" or "very bad". In public sector, as high as 48 per cent of the establishments thought their future prospects were either bright or good.



President of Metropolitan Chamber of Commerce and Industry (MCCI) Syed Mansur Elahi presenting over Bangladesh Manufacturing Industries Survey (1990) report to Ministers for Industries Shamsul Islam Khan on Sunday. Besides the MCCI functionaries, the Secretary, Ministry of Industries and other high officials were present on the occasion.

Bangladesh Bank affairs

Star Economic Report

Balances held by Bangladesh outside the country stood at Taka 2236, 50,03,000.00 on May 16 according to Banking Department Press release of the Bangladesh Bank.

Bank's other loan and advances were Taka

Islamic Trust Fund planned

KARACHI, June 2: The Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCC) plans to set up an Islamic Trust fund to promote trade and industry in the Muslim world, an exchange official said today, reports Reuter.

Agha, M Ghouse, assistant secretary-general of the ICCCE, said the fund should be established under the Organisation of the Islamic Conference (OIC).

Ghouse was speaking in an interview ahead of the inauguration of the exchange's headquarters in Karachi on Monday by President Gulam Ishaq Khan of Pakistan.

The ICCCE was set up after representatives of chambers of commerce and industry of Islamic countries met in Karachi in 1978.

Ghouse said the exchange coordinated efforts of Muslim countries and made recommendations for finance from the Jeddah-based Islamic Development Bank

1546,51,79,000.00, investment Taka 817,54,43,000.00 and other assets held by the bank stood at Taka 1423,59,85,000.00 on the same day.

According to Issue Department, value of assets like gold coin and bullion stood at Taka 75,82,09,000.00 on May 16. Approved Foreign Exchange holdings of the central bank stood Taka 275,82,09,000.00 on the same day. Assets in the form of government securities stood at Taka 524,49,22,000.00 and Internal Bills of Exchange and other commercial papers valued at Taka 2797,08,30,000.00.

On the liabilities side, total notes issued till May 16 stood at Taka 3606,74,15,000.00. Of them, notes held in the Banking Department valued at Taka 99,90,000.00 and notes in circulation valued at Taka 3605,74,25,000.00.

The accounts of the scheduled banks as on May 16, 1991 are as follows: Demand deposits in Bangladesh totalled Taka 4753,11,59,000.00, time deposits Taka 2293,57,97,000.00, borrowings from the central bank Taka 4854,05,03,000.00.

Total investments by the scheduled banks stood at Taka 2638,78,61,000.00 and total credits at Taka 21499,28,65,000.00.

2,000 fishing boats damaged by cyclone

Star Economic Report

Deep Sea Fishing Boat Owners Association on Sunday stated that about 2,000 registered fishing boats were either fully or partly damaged in April 29 cyclone.

Besides this, 10,000 fishermen have been listed as killed in the cyclone.

Speaking at a press conference at National Press Club, the President of the Association, Jafar Ahmed, said the loss in this sector amounts to Taka 96 crore.

He said different United Nations bodies have allotted Taka 30 crore for the rehabilitation of his sector. But, he said, the communications Minister Col (Rtd) Oli Ahmed and Fisheries and Live stock Minister Abdulla AL Noman said Government would help the sector through BFDC. The Association rejected the plan, saying it would make the rehabilitation programme a long process.

The Association demanded that assistance should be given to the owners directly. It also demanded tax free import of marine engines and spares for the damaged boats.

New industrial policy soon

A new industrial policy will be announced soon for the rapid industrialisation and sustainable development of the country, Industries Minister Shamsul Islam Khan said in Dhaka on Saturday, reports BSS.

He said the basic features of the new industrial policy would be to maintain short-run economic stability and at the same time increased growth in the medium and long run.

For a country like Bangladesh, and in the present context of realities, the industrial policies and programmes, must be drawn within the basic macro-economic framework of the government, he added.

The Minister was speaking as the chief guest at the formal opening of the Vapac (Vacuum Packaging) Services (Bangladesh) Limited at hotel Sheraton. Swedish Ambassador to Bangladesh Carl Olof Cederblad attended the function as the special guest.

The function was also addressed by the Managing Director of the Sweden-based Vapac Services G. Carlson, Executive Director of Midas M. M. Hossain and the Operative

Director of Vapac Services (BD) Limited Murshed Hossain.

Vapac Services (BD) Limited is a joint venture packaging factory with participation from the Swedish government, USAID Via Midas, a local NGO and Texpack Machinery of Sweden.

The factory has been established at private level for providing textile vacuum packaging services in Bangladesh for exportable readymade garments and textile products.

The minister said "export-led growth is the only way to lead us to the higher growth path and therefore it forms one of our fundamental policy objectives." He said the present government was working hard to improve the overall situation of the country. "We need to set up industries to widen local market as well as employment." He said adding that smuggling was a threat to local industries and that must be stopped for their survival.

Referring to the worst ever natural catastrophe on April 29 the minister said the government of Begum Khaleda Zia is giving top priority to settle the prayers of those industries affected by the recent cyclonic storm and tidal surge and some specific programmes are being implemented in this regard.

Shamsul Islam Khan also assured of the government's all-out cooperation for the establishment of joint venture industries in Bangladesh.

Moderate fall in share trading

Star Economic Report

Dhaka Stock Exchange (DSE) witnessed a moderate fall in transactions on Sunday.

In volume terms it went down to 4,280 from Thursday's 6,555. Traded issues valued Taka 2,09,475.00 from Thursday's Taka 4,10,000.50.

Trading remained closed at DSE on Saturday to condole the death of Shafigul Alam, former Vice-Chairman of DSE.

The composite index of DSE which is the broad indicator of all the listed stocks, lost 24,565.1 points to 317,678.1 with decliners domination in trading. The index was 342,243.2 on Thursday.

Transactions involved thirty-one stocks. Of them eleven lost, ten gained and ten remained unchanged at their previous quoted prices.

B. T. C. and Paper Converting lost Taka 23.00 and Taka 10.00 to Taka 60.00 and Taka 100.00 respectively.

Bengal Food and Islam Jute declined Taka 5.00 each to Taka 142.00 and Taka 55.00.

Rahim Textile lost Taka 2.00 to Taka 48.00.

BGIC Insurance, 4th ICB Mutual Fund, Atlas Bangladesh, Oxygen, Bata Shoe and Beximco declined within the range between Taka 0.03 and Taka 1.00.

Aroma Tea and Islami Bank gained Taka 5.00 and Taka 3.33 to Taka 50.00 and Taka 1200.00 respectively.

Howlader Pvc advanced Taka 2.00 to Taka 102.00.

United Insurance, Eastern Cables, Rupan Oil, Eagle Star, Ashraf Textile, Eagle Star and Chittagong Cement moved up within the range between Taka 0.02 and Taka 0.92.

Quoted Prices of Traded Stocks

June - 2

Table with columns: Stock Name, Price, Change. Includes items like Bata Shoe, Beximco, B.T.C., etc.

Price Barometer: Essentials

June - 2

Table with columns: Commodity, Price, Change. Includes items like Rice, Vegetables, Fish, etc.

Kuwait running short of cash

KUWAIT, June 2: Kuwait, faced with a multi-billion Dollar bill to repair the damage from the Gulf war, is short of cash and considering borrowing the two things it once prided in plenty - oil and money, reports Reuter.

Finance Minister Nasser Abdulla Al-Rodhan acknowledged in weekend remarks for the first time that the government had liquidity problems and was considering three options to meet a repair bill estimated at between 20 and 30 billion Dollars.

Initial estimates had put the cost of rebuilding Kuwait as high as 100 billion Dollars. Rodhan hinted that the Emir could borrow against its overseas investments estimated at up to 120 billion Dollars in value, borrow crude from another Gulf producer or seek commercial loans.

He gave no hint in an interview with Kuwait's London-based Sawt Al-Kuwait (voice of Kuwait) which option the government deemed best. Kuwaiti Finance Ministry officials were not available for comment.

Bankers and diplomats said which option or mixture of options the government might

choose was in the realm of conjecture. We're all guessing, said one diplomat.

They said the government faced the unusual dilemma of a cash crunch because oil exports were zero. Iraq's fleeing occupation army set Kuwait's wells ablaze in a final act of vandalism in February.

In the current economic climate and with many banks making record provisions against poor or doubtful third world loans, Kuwait no longer enjoys the immediate access it once had to an eager capital market, bankers said.

The newspaper quoted Rodhan as, saying one option before Kuwait was to register its assets abroad: Bankers said the Minister apparently meant using investments held by the Kuwait Investment Office (KIO) and Kuwait Investment Authority (KIA) as collateral for loans.

These include shares in British Petroleum, Daimler Benz, the U.S.-based Sante Fe Oil Firm and a network of refineries and filling stations in Europe.

The other choices, said the Minister, were purely commercial transactions by bor-

rowing from the international commercial banks and borrowing crude from another Gulf producer.

The latter is permitted under rules of the Organisation of Petroleum Exporting Countries (OPEC) and is not without precedent. Kuwait and Saudi Arabia produced on behalf of Iraq during its eight-year war with Iran.

Oil sources said there were reports that Kuwait would ask its Gulf Cooperation Council allies - Saudi Arabia, the United Arab Emirates, Bahrain, Oman and Qatar, to provide it with oil.

MEES said Kuwait wanted to ask for up to one million barrels per day of crude oil to feed Kuwaiti-owned refineries abroad as well as meet the needs of at least two domestic refineries as they gradually come back on stream during the second half of this year.

Precise figures on how much crude and cash Kuwait needs immediately have never been made clear. The number we've heard are all back of envelope stuff, said one western diplomat.

Kuwait exported 1.5 million

barrels per day (BPD) before the Iraqi invasion last August. No oil was exported during the occupation when it was under U.N. embargo, and production this year is unlikely to top domestic needs with a minimal amount for sale overseas, if any.

Exchange Rates

June - 2

Table with columns: Currency, Selling, Buying. Includes US Dollar, UK Pound, etc.

Table with columns: Currency, Selling, Buying. Includes French Franc, Dutch Guilder, etc.

Table with columns: Currency, Selling, Buying. Includes Singapore Dollar, UAE Dirham, etc.

The rates of Pound Sterling are decided every day, based on the cross-rates of New York market. Source: Sonali Bank

Gold & Silver

June - 2

Table with columns: Metal, Price. Includes Gold, Silver.

Hides & Skin

(Wet/Salted) June - 2

Table with columns: Animal, Price. Includes Cow, Light, Medium, etc.

Table with columns: Animal, Price. Includes Sheep, Buffalo.

Raw Jute

June - 2

Table with columns: Variety, Price. Includes White, Tossa, etc.

Table with columns: Variety, Price. Includes Pucca, etc.

Table with columns: Variety, Price. Includes Bangla, etc.

Table with columns: Variety, Price. Includes BT SPL, etc.

Table with columns: Variety, Price. Includes White Rejection, etc.

Table with columns: Variety, Price. Includes BWR, etc.

Table with columns: Variety, Price. Includes White/Tossa, etc.

Table with columns: Variety, Price. Includes Cutting, etc.

Table with columns: Variety, Price. Includes Meshta, etc.

Table with columns: Variety, Price. Includes Spl, etc.

Table with columns: Variety, Price. Includes B, etc.

Table with columns: Variety, Price. Includes SPL Cuttings, etc.

Table with columns: Variety, Price. Includes SMR, etc.

Table with columns: Variety, Price. Includes Imports, etc.

Imports/arrivals of Kutcha bales at Narayanganj were five to six thousand mounds while at Daulatpur at four to five thousands mounds. (One mound is equal to 37,324.17 KGs.) Source: Bangladesh Jute Association

Snippets

Indian stock market holds firm

BOMBAY, June 2: The political uncertainty following former premier Rajiv Gandhi's assassination appears to have had little effect on India's stock market, with prices continuing to hold out strongly, reports AFP.

The Bombay Stock Exchange (BSE) sensitivity index moved down by a marginal 7.6 points this week to close at 1307.3 points, and the BSE national index lost less than one point to close at 649.9 points.

The unanimous election of veteran politician PV Narashimha Rao as the new President of Gandhi's Congress (I) Party, the stock market most favours to win the general elections, had an upbeat effect on prices Thursday.

Japan Airlines urged to inspect 747s

TOKYO, June 2: Japan Airlines crew members want the carrier to inspect its Boeing 747-400s, claiming that the planes' fuel system has caused trouble three times, the Daily Mainichi said here, reports AFP.

The newspaper said that the crew members suspect a built-in defect in the fuel system, which distributes fuel from each aircraft's five tanks to the engines. It said faults in the system had been reported three times since the planes went into service with Japan Airlines in April last year.

One incident involved a New York to Tokyo flight in late March, it added.

The Boeing 747-400 is the latest in Boeing's popular series of 747 Jumbo Jets, and is flown by several Western and Asian airlines.

China on buying mission

BEIJING, June 2: Nearly 200 Chinese officials from the Trade Ministry, State Planning Commission and coastal provinces left Saturday for Europe on a buying mission, the Economic Daily reported, says AFP.

The delegates will spend four weeks visiting Belgium, the Netherlands, Italy, Spain, France, Britain and Germany it said.

The English-language China daily reported a week ago that the mission would place more than one billion Dollars in orders for petrochemical, machine-tool, textile and telecommunications products.

The mission is apparently a goodwill gesture toward Europe, where China's main trade partners have complained of its growing trade surplus.

US, Japan settle market dispute

TOKYO, June 2: Japan settled a construction market dispute with the United States in talks here Saturday, raising the possibility of averting planned US punitive measures officials said, reports AFP.

The dispute stemming from US demands for greater access to the Japanese construction market was "virtually settled," the Japanese Foreign Ministry said in a statement.

In the final round of the three days of negotiations here, Japan agreed to allow US construction companies to participate in 17 more projects in addition to the same number of projects already designated, ministry officials said.

Pre-summit G-7 meet this month

TOKYO, June 2: Group of Seven finance ministers and central bank chiefs could meet in late June before the July G-7 summit, Japanese Finance Minister Ryutaro Hashimoto said, reports AFP.

"What I'm telling you is that we're thinking about holding a meeting," Hashimoto told reporters, according to Japan's Jiji press.

The Finance Minister said the proposed meeting could be held in London or Washington. G-7 leaders hold a summit in London from July 15-17 to discuss Soviet aid and financial policy coordination.

Most Kuwaiti fires to be extinguished

KUWAIT, June 2: Kuwait is to double international efforts to extinguish hundreds of blazing oilwells set alight by Iraqi troops and hopes that most fires will be out by March, reports Reuter.

Oil Minister Hamoud Abdulla Al-Raqba said in remarks published today that 237 fires had been put out by four American and one Canadian fire-fighting teams out of about 600 either set ablaze or blown up by retreating Iraqi in February.

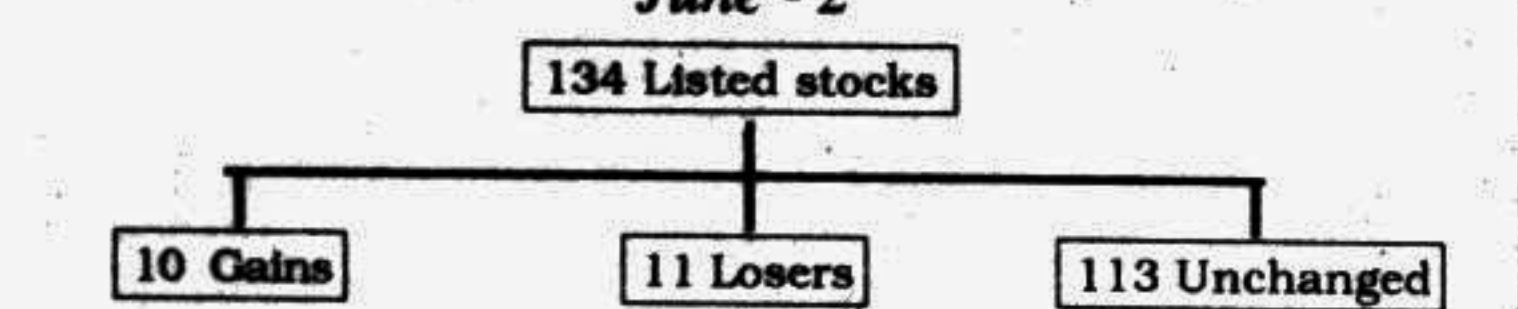
Raqba told the newspaper Al-Fajr Al-Jadid (New Dawn) contracts would be signed next week to double the number of companies fighting fires sending 120 million of Dollars daily up in smoke. He did not name companies involved.



Mujibur Rahman, State Minister for Finance addressing the Senior executives of Agrani Bank at the Board Room of the Bank's Head Office on Thursday. Ghulam Mohammad, Managing Director of the Bank (2nd from left) is also seen in the picture.

Dhaka Stock Exchange Market Profile

June - 2



113 Unchanged stocks include ten traded on the day at their previous quoted prices. DSE All Share Price Index = 317,678.1 Issued Capital: Taka 10,146,289,601.00 Market Capitalisation = 9,077,732,486 Turnover = Taka 2,09,475.00 (Value) 4,280 (Volume).