

### Taxes Bar's plea to withdraw VAT

Bangladesh Taxes Bar Association Monday demanded withdrawal of Value Added Tax Ordinance, 1991, as it suffered from "inconsistency and contradictions," reports BSS.

The Bar Association President, Khondakar Fazlul Kadir, in a press conference at the National Press Club in Dhaka, said the tax payers have been burdened with several kinds of duties while the authorities had asserted that there would be only one duty.

He said duties mentioned in Clause-7, Clause-8 and schedule three of the ordinance are not VAT and the main purpose of the ordinance had been impugned upon by this.

Replying to a question, the Tax Bar Association President said VAT was an added burden to the people.

Among others, the press conference was attended by association Vice-Presidents M A Wahab and M A Gafur Majumdar and General Secretary Kamrul Alam Chowdhury.

### ADB raises lending rate to 6.61 pc

MANILA, July 1: The Asian Development Bank (ADB) raised its ordinary lending rate to 6.61 per cent per annum effective Monday, from 6.50 per cent in the first semester, reports AFP.

The new pool-based variable lending rate, determined by adding a spread to the average cost of outstanding ADB borrowings, would be in effect until December 31, a bank statement said.

The ADB provides concessional loans through the Asian Development Fund (ADF), which charges a one per cent annual service charge.

The Manila-based bank's total lending has reached \$33 billion since its founding in 1966.

ADB spokesman said that even at the new rate, the bank's ordinary loans are still the cheapest offered by any multilateral lending institution.

### EC wants UN to set up register on trade

LUXEMBOURG, July 1: The European Community (EC) wants the United Nations to set up a register on trade in conventional weapons it said at the end of a two-day leadership summit here, reports AFP.

The EC said in a post-summit declaration that it planned to ask for a resolution on such a register at the next meeting of the UN General Assembly.

The community said that it was alarmed at the accumulation of conventional weapons in some countries and that action on a world scale was urgently needed to make sure that arms build ups in unstable regions could not go unnoticed.

The statement said EC intended, as part of its current project for political union, to draw up criteria governing the arms exports of its members.

It said that before selling weapons to various countries, selling nations should consider their records on human rights terrorism and respect for international law.

It said the general stability of the buying country should be taken into consideration, as well as the risk that the weapons could be sent on to another country.

The statement also urged all countries to sign the nuclear non-proliferation treaty, and called for a new convention on chemical weapons and a strengthening of existing conventions on biological and bacteriological weapons.

### 45 trawlers damaged in cyclone

State Minister for Fisheries and Livestock Abdullah Al Noman told the Jatiya Sangsad Monday that 45 trawlers out of 55 had been damaged by the April 29 cyclone, reports BSS.

Replying to a question from Sharif Uddin Ahmed (AL-Habiganj), Noman said in terms of money, the loss is about Taka 41 crore.

In reply to a supplementary from the same member, the State Minister informed the House that of the 46 damaged trawlers, six had been sunk, 14 partially damaged and the rest 26 were waiting repair.

To another supplementary from Mohiuddin Ahmed (AL-Bakerganj), Noman said 15 of the trawlers were unrepairable.

# GDP likely to grow by 5 pc in 4th Plan

Star Economic Report

Country's Gross Domestic Products (GDP) have been projected to grow by five per cent during the Fourth Five-Year Plan (1990-95), Bangladesh Economic Survey 1990-91 says.

Of this, growth rate in agricultural sector has been targeted at 3.6 per cent, industry at 9.1 per cent, energy, gas and natural resources at 11 per cent, construction at 8.8 per cent, transport and communication at 5.4 per cent, commerce and other services at 5.1 per cent, house-building at 3.5 per cent and public services at 3.9 per cent, the Survey says.

During the first year of the 4th Plan, GDP was expected to grow by 4.20 per cent. But southern parts of the country were seriously affected by unprecedented cyclone and tidal surge. As a result, colossal damages were caused to human resources, livestock, fisheries, standing crops, industries, water resources, power, houses and other infrastructures and communications.

The growth rate is thus anticipated to be 3.60 per cent during the last fiscal year. In 1989-90, the growth rate was 5.85 per cent, the Bangladesh Economic Survey says.

An estimated 192.30 lakh tons of foodgrains were produced during the last fiscal year. In 1989-90 financial year, foodgrain production was 187.47 lakh tons. Jute production was estimated at 45 lakh bales during the last fiscal year compared to 47 lakh bales in 1989-90. Sugarcane production was 83.80 lakh metric tons last year compared to 78.24 lakh metric tons.

Growth in agricultural sector was forecast to be 4 per cent but again it came down to 2.43 per cent on account of

### Bangladesh Bank affairs

Star Economic Report

The Government's debtor balances with the Bangladesh Bank stood at Taka 1811.81 crore as of June 6, according to the latest statement of affairs of the Bank.

The central bank held balances outside Bangladesh amounting to Taka 2709.78 crore. Holdings of government treasury bills by its Banking Department totalled Taka 299.50 crore. The amount of "other loans and advances" stood at Taka 20 crore and investments aggregated to Taka 486.73 crore. "Other assets" of the Bank totalled Taka 1,420.89 crore.

Deposits of banks with the central bank, as shown on the liabilities side, stood at Taka 1821.78 crore and those of the government was Taka 83.84 crore. Other deposits were shown to be Taka 3287.31 crore.

Total notes in circulation stood at Taka 3,725.61 crore and notes held in the Banking Department of the central bank totalled Taka 7.24 lakh. Thus, the figure given for total notes issued stood at Taka 3,725.33 crore.

Holdings of government securities on the asset side remained unchanged at Taka 524.43 crore. And those categorised as internal bills of exchange and other commercial papers increased slightly to Taka 2915.08 crore. Gold coin and bullion holdings valued at Taka 75.88 crore and approved foreign exchange assets totalled Taka 200 crore as of June 6.

### Pakistan to increase exports by 30 pc

ISLAMABAD, July 1: Pakistan has decided to increase exports by 30 per cent to 10 billion US Dollars within two years, according to a policy statement by Minister for Commerce Malik Mohammad Khan, reports Xinhua.

The target would mark a major step forward in the direction of self-sufficiency, asserted the statement published here today.

Certain specified export-oriented industries have been made eligible to import machinery and spare parts without payment of duty, sales tax, surcharge and import licence fee, the minister said.

He said exemption from income tax has been granted to hand-nitted carpets at manufacturing stage for four years provided such units, are set up by June 30, 1995, duty drawback system is being simplified, he added.

He also announced that the leather and garment industry manufacturing goods made from Pakistani cloth will be exempted from income tax.

During the process of gradual liberalization of import regime, the minister said that it had been decided, to remove additional 14 items from the restricted list. He said the private sector had been allowed to import four such items presently being imported by the public sector only.

Malik said that 1991-92 has been declared export year and the government agencies and private sector treat this year as a special and priority period for export.

The minister also announced a number of other measures to increase exports.

### World Bank loans reach record high

WASHINGTON, July 1: The World Bank approved a record 24.2 billion dollars in new loans in the past year, according to a review released Sunday, reports AFP.

Loans to the newly emerging market economies in eastern Europe accounted for much of the 1.5-billion-dollar increase from the previous year, while the Gulf war also pushed up lending.

Over the past two years, loans to Eastern Europe have soared from 500 million dollars to almost three billion dollars this past year, according to a World Bank Vice-President, Moeen Qureshi.

In the year under review, Poland received 1.4 billion dollars in loans while lending to Romania was resumed, Bulgaria and Czechoslovakia received loans for the first time.

Most of the bank's loans were issued for infrastructure and structural adjustments projects in developing countries which amounted to some 16.4 billion dollars. Its subsidiary, the International Development Association which loans to the poorest countries, increased its loans 800 million dollars to 6.3 billion dollars.

Another subsidiary, the International Finance Corporation (IFC) which loans to private businesses rather than to governments, maintained its lending levels at 1.5 billion dollars.

The IFC did not raise its lending levels because it was waiting an increase of its capital. The increase was approved Friday and the IFC is expected to approve some 150 million dollars in loans in the next year.

The US administration has pushed the World Bank to focus more on private sector loans and bank President Barber Conable said at a news conference that lending to businesses would promote growth in developing countries and reduce poverty, one of the bank's main objectives.

An 18-point Charter of demands was signed between the Management of Rupali Bank Ltd and the CBA leaders at Bank's Head office at Dhaka on recently. Seen in the picture are: AKSM Taifur Hussain, Managing Director, Jalilur Rahman Chowdhury, Mustafa Aminur Rashid, Md Alluzzaman and Md. Abdus Samad, General Managers and M.I Chowdhury, Deputy General Manager and Rupali Bank Karmachari Shanghai represented by Qudusur Rahman, President and Shah Alam, General Secretary.

### Japan building world's biggest N-plant

KASHIWAZAKI (Japan), July 1: While many countries in the post-Chernobyl era scale down their nuclear energy plans, Japan is forging ahead with construction of the world's biggest nuclear power plant, reports Reuter.

The 20 billion dollar Kashiwazaki-Kariwa Plant, taking shape on quiet coastland in western Niigata Prefecture, is part of an ambitious programme aimed at more than doubling the nuclear of nuclear power stations over the next 20 years from 38 to 78.

"Japan is the only industrialised country to have such big plans for nuclear power," said Toshiaki Yuasa, Chief Economist at Japan's Private Institute of Energy Economics.

Tokyo Electric Power (TEPCO), the country's biggest power company which is building the giant Kashiwazaki Plant, has a key role in making that vision a reality.

To ensure it is not stalled by protests, the company has also embarked on a major public relations campaign to sell that nuclear energy to a sceptical, sometimes frankly hostile public.

TEPCO recently included foreign reporters for the first time in a hectic plant visit programme that pushes through some 500 people daily, including domestic press and top executives of foreign utility firms.

A video shown to visitors proclaims: "It's been a long haul but the plant has built safety and confidence in nuclear power".



William B Milam (right), US Ambassador to Bangladesh, and Enam Ahmed Chaudhury, Secretary, Economic Relations Division, Ministry of Finance, signed an agreement for \$69.6 million US Dollars grant under the PL-480 Title III agricultural commodity programme on Monday. The grant money will be used to acquire and transport approximately 392,000 metric tons of American wheat. —USIS photo

### \$69.6m US grant under PL-480

An agreement for US Dollar 69.6 million equivalent to Taka 243 crores and 60 lakh under the US PL-480 title III agricultural commodities programme was signed Monday in Dhaka enabling Bangladesh to acquire and transport approximately 3.92 million metric tons of American wheat, reports BSS.

According to an official handout, the agreement was signed by Secretary Economic Relations Division Enam Ahmed Choudhury and US Ambassador William B Milam on behalf of their respective government.

The Bangladesh government will channel the US wheat through its public food distribution system. Sale proceeds from wheat will be used for specific priority development projects as identified by the Bangladesh government.

Monday's grant brings total US assistance under all food programmes to US Dollar 1.8 billion since 1972.

The US PL-480 title III agricultural commodities agreement aims at helping to facilitate investment and growth in Bangladesh by reducing the amount of foreign exchange needed to import food. Improving procedures for public investment planning and resource allocation is one of the major thrusts of the current programme.

The United States of America is the largest bilateral food aid donor to Bangladesh and this is the first PL-480 title III agreement under the new US farm act of 1990. This agreement will cover US fiscal year 1991.

### US recession appears to be ending

WASHINGTON, July 1: The US recession appears to be ending right on cue for President George Bush whose top economic aide had predicted it would be short shallow and over by mid-year, reports Reuter.

White House Economic Adviser Michael Boskin last week declared that the year-end recession was over and a modest recovery was under way.

This is only the early stages, but it certainly does look like recovery is in progress and the recession, on a national basis is ended, he said at a news conference.

The economy has bottomed out and begun to turn around, which was what we said would happen around this time.

Boskin's statement came on Thursday following release of government figures showing an increase in personal income and consumer spending in May.

Until then Boskin had been reluctant to declare the recession over, even though much recent economic data had been pointing in that direction.

A report on Friday showing a 0.8 per cent increase in the index of economic indicators in May gave credibility to Boskin's assessment that recession was over. Gains in the index the government's main gauge of future economic health, were spread across a broad range of economic activity.

The May increase was the fourth in a row and that's the first time since January of 89 that we've had four consecutive monthly increases in the leading index, said William Sullivan, senior Vice President at the Securities Firm of Dean Witter.

### Snippets

#### Philippine foreign debt rises

MANILA, July 1: The Philippine foreign debt rose to 29.376 billion dollars at the end of February up 2.9 per cent from December 31, 1990, the Central Bank said here Sunday, reports AFP.

A total of 11,459 billion Dollars, comprising 39 per cent, is owned to banks and other financial institutions 8,944 billion dollars to bilateral creditors 6,397 billion dollars to multilateral institutions and 2,576 billion dollars to other creditors.

More than 84 per cent of the debt has medium to long term maturities and public borrowings accounted for 61.7 per cent of the total, a bank statement said.

#### US to resume aid to Yemen

SANAA, July 1: The United States has decided to resume its financial assistance to Yemen which was cut by almost 90 per cent because of Sanaa's backing for Iraq during the Gulf Crisis, Sanaa radio said yesterday, reports AFP.

It said US President George Bush sent a message to his Yemeni counterpart Ali Abdallah Saleh to announce the decision.

Last year in the heat of the Gulf crisis Washington cut its annual financial aid to Yemen from 20 million dollars to 2.9 million dollars because Sanaa was siding with Baghdad.

#### Maruti 800 cc to be exported

NEW DELHI, July 1: The public sector Maruti Udyog would soon export for the first time its 800 cc cars to the Soviet Union, reports PTI.

An agreement for export of 5,000 cars was expected to be signed by mid-July, the company's Chairman Cum Managing Director, RC Bhargava said here.

A special feature of this export order, he said, was that the payment would be in US dollars and not in rupees. The exports were likely to earn foreign exchange of about Rs 35 crore and it was for the Ukraine Republic in the Soviet Union.

#### Businessmen worried in New Caledonia

NOUMEA, July 1: Business chiefs meeting here said they were worried by the declining law and order situation in New Caledonia and accused unions of "killing businesses", reports AFP.

President of the Employers Association of New Caledonia Didier Leroux said yesterday that the 36 strikes in the last year, which were often accompanied by picketing and "arbitrary closures" has cost companies in this French overseas territory a million man hours.

"It is no longer a matter of social movements but a deliberate or unconscious action to sabotage the territory and its economy," he said.

#### Africa urged to step up economic community

DAR ES SALAAM, July 1: African States and Economic Groupings have been urged to step up efforts to accelerate the establishment of the African economic community, reports Xinhua.

The call was made yesterday in Zanzibar by officials of the Organisation of African Unity (OAU) and African Economic Groupings at the end of a two-day meeting which focussed on concrete steps to facilitate the realisation of African economic integration.

A communique issued at the end of the meeting called for an immediate ratification by all African states of the treaty signed at the recent OAU summit in Nigeria on establishing the African economic community.

#### Japan's cos win pipeline contract

TOKYO, July 1: Japan's Nippon Steel Corp announced Thursday it had won an Indonesian order to build a gas pipeline in eastern Java in a joint project with Sumitomo Corp estimated to cost 300 million Dollars, reports AFP.

Sumitomo is to arrange financing for 75 per cent of the project through a Syndicate of Japanese banks led by Mitsubishi Bank Ltd. The remaining 25 per cent is to be raised by Indonesia's state-owned bank Dagang, it said.

The 430 kilometre (270 miles) pipeline will carry natural gas from Pagerungan the Balisea island of Kengan to Gresik near Surabaya.

#### Germany may suspend aid to Yslavia

BERLIN, July 1: German may suspend all financial aid to Yugoslavia, reports Tanjug.

Stating this here, German Foreign Minister Hans-Dietrich Genscher said the move would be prompted by the current situation in Yugoslavia.

### Rupali Bank, CBA leaders sign accord

Star Economic Report

The Management of Rupali Bank Ltd and the leaders of the elected Collective Bargaining Agent (CBA), Rupali Bank Karmachari Shanghai signed 18-point bilateral agreements at Bank's Head office at Dhaka recently under Clause 26 of Industrial Relations Ordinance, 1969.

The agreement was signed on behalf of the Bank's management represented by A.K.S.M Taifur Hussain, Managing Director, Jalilur Rahman Chowdhury, Mustafa Aminur Rashid, Md Alluzzaman and Md. Abdus Samad, General Managers and M.I Chowdhury, Deputy General Manager and Rupali Bank Karmachari Shanghai represented by Qudusur Rahman, President and Shah Alam, General Secretary.

The signing ceremony was also attended by Shafiquddin Hussain, Acting President, Hossain Ahmed, Joint Secretary and other Central leaders of Karmachari Shanghai.

### Exchange Rates

July - 1	SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques (BCs) and Overseas Drafts (ODs)	
One Unit Foreign Currencies (FCs) for Taka		
FCs	Selling	Buying
US Dollar	35.9226	35.4432
UK Pound Sterling	58.2330	57.5223
German Deutsche Mark	19.8487	19.7511
French Franc	5.8553	5.7753
Saudi Riyal	9.6101	9.4819
Dutch Guilders	17.6221	17.3741
Pakistan Rupee (AMU)	1.4731	1.4591
Singapore Dollar	20.3355	20.0641
US Dirham	9.8141	9.6831
Kuwait Dinar		Not available
Indian Rupee		
AMU	1.6936	1.6773
S. Kroner	5.4981	5.4211
SEAGWAY EXCHANGE MARKET		
Wage Earners Fund/Export		
Performance Benefit (XPB)	Fund	
US Dollar	Buying	Selling
Telex	36.48	36.53
UK Pound	59.15	59.20
STERLING		
Saudi Riyal	9.76	9.89
UAE Dirham	9.97	10.02
* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market		
Source: Sonali Bank		

### Gold & Silver

July - 1	(Taka for 11.66 grams)	
Gold	6,000.00	
Telex	6,000.00	
Guntha	6,300.00	
Silver	200.00	
Source: Department of Agricultural Marketing		

  

Hides & Skin		(Wet/Salted)		July - 1		(Taka per 100 pieces)	
Cow	20,000.00	—	25,000.00				
Light	40,000.00	—	42,000.00				
Medium	45,000.00	—	50,000.00				
Heavy	55,000.00	—	60,000.00				
Very heavy	75,000.00	—	80,000.00				
Rejected	3,000.00	—	3,500.00				
Goat							
Hyat							
Light & Medium	8,500.00	—	9,000.00				
Rejected	4,200.00	—	4,600.00				
Medium	2,000.00	—	2,200.00				
Sheep	8,500.00	—	9,000.00				
Buffalo	60,000.00	—	65,000.00				
Source: Department of Agricultural Marketing							

### Price Barometers Essentials

July - 1	
RICE (Taka per kg)	
Amam (Very fine)	17.00-18.00
Amam(fine)	14.75-15.75
Pujan	13.00-14.00
Uthi	12.75-13.60
VEGETABLES (Taka per kg)	
Brinjal(White)	12.00-14.00
Brinjal	8.00-10.00
Lady's finger	12.00-14.00
Korola	6.00-8.00
Papsy	6.00-7.00
Green Banana (Four Pieces)	6.00-8.00
OTHER FOODGRAIN (Taka per kg)	
Flour	12.50-13.50
Ata	10.00-10.50
Wheat	8.00-8.50
Suzi	17.00-18.00
FISH (Taka per kg)	
Rubi(big)	140.00-160.00
Katla(big)	110.00-120.00
Hilsha	55.00-60.00
Pangas	100.00-110.00
Shrimp(big)	80.00-100.00
Stingi	80.00-90.00
Koi	90.00-100.00
PULSES (Taka per kg)	
Mash	32.00-34.00
Masha	27.00-28.00
Noogh	27.00-28.00
Chhole	22.00-23.00
Matar	26.00-28.00
Kharai	16.00-18.00
MEAT (Taka per kg)	
Beef	55.00-60.00
Mutton	88.00-90.00
OIL (Taka per Litre)	
Mustard	52.00-56.00
Soyabean	37.00-37.50
Coconut (Colombo)	75.00-80.00
Vegetable Ghee	50.00-52.00
SPICES (Taka Per kg)	
Onion	15.50-16.00
Celvic	35.00-48.00
Chillies	60.00-70.00
Tumeric(Round)	52.00-60.00
"/ (Long)	52.00-60.00
Green chillies	16.00-20.00
Clinger	20.00-24.00
Cinnamon* (10gms)	3.00-3.50
Cardamom* (large)	3.50-4.00
Jhira (50gms)	7.00-8.00
MISCELLANEOUS (Taka)	
Cheer	220.00-240.00
Sugar	27.00-28.00
Molasses	18.00-22.00
Source: Department of Agricultural Marketing	