

Tk 520 cr development projects to be implemented this year

Star Economic Report

Forty seven development projects at a total cost of Tk 520 crore will be implemented by the Local Government Division of Ministry of LGRD and Cooperatives during the current Annual Development Programme (ADP).

Recovery in US economy begins

WASHINGTON, July 12: After months of gloom, the government's economic reports are finally offering some good news, reports AP. Consumers are starting to spend again, albeit cautiously, and inflation is low.

VAT to bring about better management in taxation

Star Economic Report

Speaker Abdur Rahman Biswas Friday said the newly imposed Value Added Tax (VAT) will bring about better management and a healthy atmosphere in the nation's taxation system.

It will enable tax-payers simply much of the cumbersome procedural formalities, that existed in the old taxation system, he said while inaugurating a day-long workshop on VAT for senior and mid-level management officers at a local hotel Friday morning.

Sponsored by Rapport Bangladesh Limited, the workshop was aimed at explaining the impact and mechanism of calculating taxes under the VAT system.

Describing VAT as the best fool-proof system practised all over the world, the Speaker said that the BNP Government went for this system when traditional methods to raise revenue lost its effectiveness.

Ministry sources say. A meeting of the high officials of the Ministry held at the Bangladesh Secretariat at Thursday took the decision about implementation of the projects. LGRD and Co-operative Minister Abdus Salam Talukder chaired the meeting.

The meeting reviewed the performances of various development projects under the Local Government Division during ADP 1990-91. Eighteen of the projects under the current ADP will be implemented by Local Government Engineering Bureau, 13 by Public Health Engineering Department, seven by Dhaka WASA, six by Dhaka City Corporation, two by National Institute of Local Government and one project by Chittagong City Corporation. The total allocation for the projects include Taka 506 crore 39 lakh in project aid.

It was stated in the meeting that out of a total amount of

Taka four hundred 54 crore 38 lakh allocated for the projects under Local Government Division during the last fiscal year. About Taka 300 crore has been utilized in the implementation of the projects till May 1991.

Speaking on the occasion the LGRD Minister emphasised the need for concerted efforts towards implementation of development projects on schedule. He called upon the concerned officials to work with sincerity, devotion and honesty in ensuring that the projects are properly implemented and the funds are utilized.

Pointing out that most of the funds allocated for these development programmes come as project aid provided by donor, Mr Salam Talukder said that the image of the nation would be tarnished if the concerned officials allow any negligence and corruption in the course of implementing the programme.

He stressed the need for creating mass awareness on VAT, saying that it will help to dispel misunderstanding among the people.

Chaired by the Secretary of the Internal Resource, Division and Chairman of the National Board of Revenue, Nurul Hossain Khan, the key-note paper was presented by Planning Commission member Dr Shaikh Maqsood Ali. The session was also addressed by the Managing Director of Rapport Bangladesh Ltd., M Mosharraf Hossain, M Lutfozzaman, MP.

In his key-note speech, Maqsood Ali said that VAT will help the Government to pursue structural adjustments

with real sector growth. VAT will increase revenue yield substantially without raising the tax burden, he added.

He pointed out that VAT is supposed to have a built-in mechanism for administrative efficiency as it greatly simplifies the procedures of tax collection.

However, he said the success of the system depends on the implementation process. He feared that the expected benefit from VAT may not be realised in absence of an effective and corruption-free administration.

Terming VAT as development-oriented tax policy, the Planning Commission Member said that the salient features of the system would help secure a steady increase in tax GDP ratio and provide adequate incentives for savings, investments and exports.

Local Government Secretary Mushfiqur Rahman, Division Chief of Planning Commission Omar Hadi, representatives of the Finance Division and heads of concerned agencies were present in the meeting.

US vote against China's trade status slated

BEIJING, July 12: China officially denounced a US House of Representatives vote against its preferential trade status on Thursday but analysts said Beijing was still confident it will keep the privilege worth billions of dollars each year, reports Reuters.

This is a gross interference in China's internal affairs which the Chinese government firmly rejects. Foreign Ministry spokesman Duan Jin told a regular news briefing. The US House voted on Wednesday to remove China's most favoured nation (MFN) trade status and to attack conditions on human rights and other issues to its renewal in 1992.

Any conditions would be absolutely unacceptable to China, Duan said.

We would like to tell the US Congress to stop this kind of activity which interferes in China's internal affairs and hurts the feelings of the Chinese people.

The spokesman said if China's MFN status were indeed taken away there would be a "serious retrogression" in relations between Beijing and Washington.

Beijing has come under attack in Washington for its trade surplus and its record on human rights and arms proliferation.

The 223-204 vote in the House to overturn President George Bush's extension of China's MFN status was largely symbolic, as the Senate is not expected to join in disapproving MFN.

Even if it did, Bush could veto the resolution, and Congress would need a two-thirds majority in both the House and Senate to override it.



KENNEBUNKPORT (Maine): US President George Bush (L) and Japanese Prime Minister Toshiki Kaifu (R) talks with reporters July 11 here. The two leaders discussed the approaching economic summit. —APF photo

BCCI collapse can trigger British bank rules change

LONDON, July 12: The British government on Thursday defended its handling of events leading to the closure of the Bank of Credit and Commerce International, as some experts predicted the affair would lead to curbs on Britain's open-door policy towards global banking, reports Reuters.

Initially dismissed as a one-off event involving an outsider, the widening BCCI case has brought an increasing number of questions about how well other banks are regulated by the Bank of England, the central bank of the country.

An official of a British clearing bank said: The real question is "how were they able to open there? not why were they closed."

BCCI branches were shut down around the world last Friday by an international group of regulators led by the Bank of England, leaving thousands of depositors' funds out of reach.

Britain's Serious Fraud Office and other government agencies are now probing the Luxembourg-based Abu Dhabi-owned bank to uncover the reason for losses estimated at billions of dollars.

Critics are calling for tighter auditing and accounting procedures, closer supervision by regulators and new deposit insurance fees — perhaps even to pay retroactively for losses incurred by BCCI customers.

The biggest losers include several British local councils that had deposited a total of around 100 million pounds (160 million dollars) with BCCI.

The Association of District Councils said it was considering a lawsuit against the central bank, citing the inclusion of BCCI on a Bank of England list of authorised banks.

Prime Minister John Major ruled out government help for the local authorities on Thursday.

Pak exports rise by 23.4 pc

ISLAMABAD, July 12: Pakistan exports in the fiscal year 1990-91 reached 6.114 billion US Dollars, up 23.4 per cent from the year 1989-90 local English "Daily News" reported yesterday, reports Xinhua.

The export target for the current fiscal year 1991-92 which started on July 1 this year has been fixed at 8 billion US dollars, the report said. Meanwhile, the imports in 1990-91 touched a record of 7.599 billion US Dollars showing an increase of 9.6 per cent as against 1989-90.

Had the oil prices not increased due to the Gulf crisis, the report said. The trade gap would have further narrowed as the import bill of petroleum products for the year 1990-91 was 1.079 billion US Dollar as against 740 million Dollars of 1989-90.

Main items of exports during 1990-91 were rice, cotton, petroleum and petroleum products, readymade garments, tarpaulin, canvas goods, towels, bedwear, synthetic textile fabrics, knitwear, leather manufactures, and surgical instrument.

US wheat output falls by 26 pc

WASHINGTON, July 12: The Agriculture Department Thursday said this year's wheat production could drop as much as 26 per cent from last year's bumper crop, reports AFP.

The Department estimated wheat output for 1991 at 2.03 billion bushels, down from last year's harvest of 2.74 billion bushels, the third largest on record.

Production estimates based on output as of July 1 for spring and winter planted wheat put average yield at about 35 bushels per acre compared with 39.5 bushels in 1990.

Farmers are expected to harvest about 58.1 million acres this year, compared with 69.4 million acres last year.

Crop estimates for corn, soybeans, cotton and other spring-planted crops will be issued August 12.

Snippets

US-Europe trade war feared DUBLIN, July 12: Canadian Prime Minister Brian Mulroney warned on Thursday that European Community farm subsidies could spark a trade war between the United States and Europe, reports Reuter.

Welcoming ambitious plan by EC Farm Commissioner Ray MacSharry to overhaul the community's agriculture system, he said, "The Common Agricultural Policy (CAP) is the major source of tension at the GATT (General Agreement on Tariffs and Trade) talks."

The problem of the trade-distorting agricultural subsidies is giving rise to the possibility of a real live trade war between Europe and the United States," he told reporters during a three-day visit to Ireland.

ME oil producers to become powerful

WASHINGTON, July 12: A team of US government geologists on Thursday predicted that the world no longer has any major untapped oil fields and that as a result Middle East producers will become more powerful than ever, reports Reuter.

Writing in a science magazine, they said that exhaustive studies by the US Geological Survey, a government agency, disproved the theory that higher prices for oil "would bring on major new discoveries as needed."

The studies "suggest that no new major basins, that is, with 20 billion barrels of recoverable oil, are likely to be discovered."

Wall Street stocks gain

NEW YORK, July 12: Wall Street stocks meandered to a higher close on Thursday, encouraged by gains in the US treasury bond market but held in check by jittery over second-quarter earnings, reports Reuter.

The Dow Jones industrial average rose 14.98 points to close at 2,959.75 a gain of more than half a per cent.

"The bad news is that the quality of the rally is pathetic," said Stan Weinstein, Editor and publisher of the professional Tape Reader.

Evidence of lack of investor confidence was the slim lead gainers held over losers — 844 to 609 — and moderate New York Stock exchange volume of 157.7 million shares.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on July 4 and July 11, 1991.

Table with 10 columns: Company, FY/ML, July 4, July 11, High, Low. Lists various banks, insurance companies, engineering firms, food items, and fuel & power companies with their respective market prices.

Nepal approves \$ 624m budget

KATHMANDU, July 12: Nepal's newly elected government Thursday introduced a 26.64 billion rupees (624 million dollars) budget aimed at development rural areas of this impoverished Himalayan kingdom, reports AFP.

In a budget speech broadcast on national television, Minister of State for Finance Mahesh Acharya announced that 70 per cent of development expenditure would be allocated to "rural economy and infrastructure development."

"Of the total 26.64 billion rupees annual budget, 16.89 billion rupees (396 million dollars) has been allocated to development expenditure aiming to achieve annual national economic growth of 4.6 per cent during the next year," Acharya, a 37-year-old German trained economist, said.

The budget for the current fiscal year totals 24.48 billion rupees (573 million dollars), according to revised estimates.

G-7 summit faces credibility problem on trade talks

BRUSSELS, July 12: A year ago in Houston, the political leaders of North America, Europe and Japan promised to take personal charge of completing the Uruguay Round of World Trade negotiations by the end of 1990, reports Reuter.

It didn't happen. A rudderless meeting of trade ministers in Brussels last December, meant to crown four years of negotiations, brought them instead to the brink of collapse. So what will the Group of Seven (G-7) leader do about trade when they meet again next week in London?

"I think there is a credibility problem," said a senior European Community trade negotiator in Brussels. If the leaders of the seven major industrial countries — the United States, Canada, Japan, Britain, France, Germany and Italy (plus the European Commission) — ignore the 108 nation Uruguay Round, they will be accused of

Kohl to seek massive aid for Soviets

BONN, July 12: Chancellor Helmut Kohl will be appealing for massive aid to the Soviet Union and urging greater efforts for Eastern Europe generally at next week's Group of Seven (G-7) summit in London.

The German leader will be seeking the adoption of several concrete measures to aid Moscow, after being a key figure in the campaign to win an invitation to Soviet President Mikhail Gorbachev to attend talks with G-7 leaders after the summit ends Wednesday, a senior government official said.

Kohl is the only leader of the group of leading industrialised nations to have had talks with Gorbachev in the very recent past, having undertaken a flying visit to Kiev on Friday. The concrete proposals he will put forward in London include a request that Moscow be allowed to borrow immediately more than the 600 million European Currency Units (678 million dollars) it put up as its share of the capital of the European Bank.

Major rules out large-scale aid to Soviets

LONDON, July 12: Prime Minister John Major on Thursday ruled out large-scale financial aid to the Soviet Union at next week's economic summit and said future aid will depend greatly on concrete Soviet progress to economic reform, reports AP.

Major made it clear that leaders of the most advanced capitalist nations will not be listening carefully to Soviet President Mikhail Gorbachev's plans for developing a free market economy but watching to see his economic reforms implemented.

"We are very concerned to ensure that not only do the Soviets pass legislation for economic reform, but they implement that legislation so economic reform can actually come about — that is the key point," he told a news conference previewing the summit and post-summit meeting with Gorbachev.

Major said leaders of the seven most advanced capitalist nations also are concerned about continued high Soviet spending on defense and are watching to see whether Moscow implements previous disarmament agreements.

EC wins legal victory on copyrights

BRUSSELS, July 12: The European Community (EC) won an important legal victory on copyrights that could boost competition in the computer and other industries, the EC's Executive Commission said here Thursday, reports AP.

An EC spokesman said a ruling by the European Court of Justice had given the commission greater power to overturn national copyrights when these were used to bolster a dominant position in an industry by shutting out competition.

Police to fight economic crimes in Poland

WARSAW, July 12: The government has announced that it is forming a special police force to fight economic crimes that are increasing as Poland moves toward a market economy, reports AP. The new police force, known as K-17, will employ 660 officers nationwide to combat what deputy government spokesman Jacek Koslowski referred to as "new, unfavorable phenomena... typical for a market economy."

Yslavian economy collapsing

BELGRADE, July 12: The Yugoslav economy is on the brink of "total collapse" if urgent measures are not taken, Minister for Development Bozo Marendic warned here Wednesday, reports AP. Marendic, speaking at a press conference, said that Yugoslavia needed three billion dollars in emergency assistance, including one billion dollars to help refinance its external debt.

USSR must develop free market

LONDON, July 12: The Soviet Union must develop a genuinely free market before it can expect much money from the West, the US Ambassador to Britain said on Thursday, reports Reuter. "To seek infusions of outside capital in the absence of a genuinely free market is artificial and contrived, and serves to perpetuate the very problem it is meant to correct," Ambassador Raymond Seitz told an American Chamber of Commerce Luncheon.

* FV = Face Value ML = Market Lot NT = Not Traded, Allotment Letter, XB = Ex-Bonus, XD = Ex-Dividend * Trading was closed on February 21 because of Shaheed Day