

DSE welcomes industrial policy

Star Economic Report
Dhaka Stock Exchange (DSE) Limited on Tuesday welcomed the new industrial policy and termed it as a liberal and progressive policy.

Chairman of the DSE Aminul Islam Khan in a press release said that the entrepreneurs would be benefited by this dynamic policy and would be able to contribute towards rapid industrialisation of the country.

Reviewing the policy he said the government announcement about gradual investment of public sector in industrial enterprise up to 100 per cent of its capital is a very bold step.

He also supported the government decision to abolish the 'discouraged list' and observed it will increase competition among the industrial units which will result in the improvement of the quality of products and lead to greater confidence of the entrepreneurs to set up industries.

Raising of the ceiling of sanctioning power of DFIs for private sector investment from Taka 10 crores to Taka 30 crores without prior government approval is also a very laudable step, he said.

He noted that the policy, allowing the foreign investors to invest with 100 per cent equity, would help a large number of foreign investors.

Modest rise in share trading

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Trading at Dhaka bourse witnessed a modest rise on Tuesday.

In all 4,311 shares and debentures changed hands compared with Monday's 4,132. Traded issues valued Taka 3,48,765.00 against the previous day's Taka 3,07,291.00.

Advancers dominated trading. And the Composite Index of Dhaka Stock Exchange advanced to 302,127.5 points from the previous day's 301,350.5. Index is the broad indicator of price movements of all the listed stocks.

Transactions involved twenty-six stocks. Of them fifteen gained, six lost and five remained unchanged at their previous quoted prices.

Islami Bank advanced Taka 45.00 to Taka 1,400.00. National Bank and Chittagong Cement moved up Taka 6.05 and Taka 4.74 to Taka 110.05 and Taka 179.38.

Sonali Aansh and Rahim Textile gained Taka 2.00 each to Taka 85.00 and Taka 48.00 respectively. BGIC Insurance, United Insurance, Aftab Automobiles, Eastern Cables, Oxygen, Bangla Process, Kohinoor Chemical, Satham Textile, Bata Shoe and Usmania Glass moved up within the range between Taka 0.12 and Taka 1.00.

Quasem Silk, the lone traded debenture and Bangladesh Thermal Aluminium declined Taka 10.00 each to Taka 1,580.00 and Taka 88.00. Rupali Bank and Rupali Bank lost Taka 5.00 and Taka 2.00 to Taka 105.00 and Taka 75.00.

Beximco Pharma and The Irbisina declined Taka 1.00 and Taka 0.61. Quoted Prices of Traded Stocks July - 30

CV=Face Value, ML=Market Lot Changes: + Plus signs mean gain and (-) signs losses.

Saifur seeks help for primary education Tk 29 cr OPEC Fund loan for UZ health complexes

OPEC Fund for International Development will provide Bangladesh US \$ million Dollar, equivalent to Tk 29 crore, in soft-term credit for construction of eight upazila health complexes, reports UNB.

An agreement to this effect was signed in Dhaka Tuesday between the government of Bangladesh and the OPEC Fund. The visiting Chairman of the Fund, Osama Faquih, and ERD Secretary Enam Ahmed Chowdhury signed the agreement on behalf of their respective sides.

With this latest credit, OPEC Fund assistance to Bangladesh so far totals US \$189 million Dollars. The Fund started its aid operation in the country in January 1977. The Fund's aid came both as commodity and project assistance in energy, road communica-

tion, education and health sectors. Another report adds: Finance and Planning Minister M Saifur Rahman has sought assistance from the OPEC Fund for expansion of primary education in Bangladesh.

"We need cooperation of our development partners in education sector, particularly the primary education which has been given top priority by the government," he told the visiting OPEC Fund Chairman, Osama Faquih during a meeting in Dhaka Tuesday. Faquih who arrived Dhaka Sunday on a three-day visit leading a 2-member OPEC Fund delegation called on Saifur Rahman at his Secretariat Office Tuesday morning. Fund's Director General Y. Sayyid Abdullah and ERD Secretary Enam Ahmed Chowdhury were present.

During the meeting, various bilateral issues, including the

progress of the Fund-assisted projects in Bangladesh and prospect of future programmes, were discussed. The closure of BCCI bank also came up for discussion. The Finance Minister also apprised the OPEC Fund Chairman of the development strategy of the present democratic government.

Faquih, who is also the Deputy Minister for Finance and International Economic Cooperation of Saudi Arabia, expressed satisfaction at the progress of Fund-assisted projects here.

He also assured that fund flow from OPEC Fund to Bangladesh would be uninterrupted in future. Some of the Fund-assisted projects which have already been completed are: East-West Inter-connector, Bakhrabad Gas project and Ashganj Fertilizer Project.

Frozen food sector can earn Tk 2,500 cr by 1995

The frozen food sector has the potentials of raising the output of shrimp and prawn from current 80,000 metric tons to over 1.5 lakh metric tons by 1995. Export earnings can then increase to Taka 2,500 crore from the present Taka 430 crore.

The export volume in 1990-91 would be around 22,000 metric tons. This can be tripled in two to three years time if a coordinated strategy is taken to develop the sector. Frozen food exporters circle told the Daily Star that with the application of semi-intensive system of shrimp culture, proper management and availability of funds, the yield of shrimp can be boosted to over 1500 kg per hectare from the present rate of 110 kg. But low productivity, shortage of fund and lack of incentives are responsible for huge idle capacity in existing 93 frozen food processing units or plants. Most of them are operating below 50 per cent capacity, said the sources.

Recently, a five-member inter-ministerial committee has been set up by Prime Minister Begum Khaleda Zia for recommending appropriate steps for proper management of the

sector. But the owners of the frozen food units expressed their scepticism about the newly announced export policy. Their appeal for introducing liberal financial assistance at a concessional rate of interest on bank credits at 9 per cent interest on loans and enforcing properly the earlier decision for segregation of bank credits of 1988-89 when there was a slump in the world export market, were not reflected in the new export policy.

FBCCI praises industrial policy

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Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) congratulated the government for appointing Al-Haj Fazlur Rahman as the Director of Janata Bank, a press release issued on Tuesday said.

Fazlur Rahman is the President of Narayanjan Chamber of Commerce and Industries and a member of the executive body of FBCCI. Narayanjan Chamber and Commerce also welcomed the government.

Related industrial sources said this would seriously affect the frozen food sector. The slump in 1988-89 was created due to dumping of huge quantity of frozen food in the world market by the ASEAN countries. The major importers of frozen food are Japan, USA and the European Economic Community (EEC).

Sources said there is no planned land management which restricts the operational scope for availability of bank loans for the sector. Fund is also not available for shrimp culture. The marginal farmers can not manage collateral fund to obtain bank credits. The growers, processors and the banks should be brought within a chain arrangement for the smooth coordinated availability of fund, suggested Taher Sobhan, Adviser to Bangladesh Frozen Food Exports Association.

He felt that there should be a shrimp policy which would also decide the fund required for this sector. The total process of the shrimp industry, starting from shrimp culture to the processing of the commodity, should be also brought under comprehensive insurance programme.

Call to restore discipline in banking sector

The LGRD Minister, Barrister Abdus Salam Talukder has called upon the Bankers to restore financial discipline in the Banking Sector, says a press release.

While addressing the reception meeting in honour of Ziaul Haq Zia, Member of Parliament, Ex-General Secretary, Rupali Bank Officers' Association and ex-Secretary General, Bank Officers' Federation as the chief guest he pointed out that the present Government is aware of the various problems of the Banking Sector and would solve them in active Co-operation with all categories of officers and members of staff.

The State Minister for Civil Aviation and Tourism, MA Mannan, State Minister for Information, Md Nurul Huda, Member of Parliament and Chairman, Rupali Bank Ltd, Azizul Haque, Member of Parliament, MA Jinnah, Md Yousuf, Managing Director of Rupali Bank Ltd, AKSM Taifur Hussain and President, Rupali Bank Karmachari Sangha (CBA) attended the meeting as special guest.

OPEC preparing for return of Kuwait

LONDON, July 30: A year after the Gulf crisis erupted, OPEC is preparing to deal with the return of Kuwait, and possibly Iraq oil to the world market, reports Reuter.

Industry analysts expect the initial adjustment process to be relatively painless, but jockeying within the Organisation of Petroleum Exporting Countries for shares of the world oil trade is likely to intensify later.

How easily an 11-country share-out of more than a third of world oil supplies can accommodate the two returning members will depend on the severity of the Northern winter and the resultant demand for oil, the analysts said.

Kuwait on Sunday shipped two million barrels of crude oil embargued since the invasion. Iraq is waiting for United Nations clearance to return to world markets.

Before the Gulf crisis, Iraq produced around 2.5 million

BPD and Kuwait about 1.5 million. Oil industry sources said Kuwait was confident that Saudi Arabia, OPEC's key player, would aid Kuwaiti efforts to recover old markets. Iraq might get less favourable treatment.

Iraq says it could sell one million Barrels Per Day (BPD) once the U.N lifts the ban. But analysts generally believe that Iraq exports would be around 700,000 BPD in the short term. Kuwait, meanwhile, could average around 300,000 BPD in the fourth quarter.

A showdown is unlikely at OPEC's ministerial meeting on September 24 due to be held either Paris or Geneva, as the market will be entering a seasonal peak in demand hope to sell.

OPEC would be hard pressed to meet demand for its oil of 24 million barrels per day in the fourth quarter and 25 million or more in the first quarter of 1992 without Iraq and Kuwait oil, the Gulf industry source said.

Snippets

BCCI scandal implicates Peru's bankers

NEW YORK, July 30: A sweeping indictment against the Bank of Credit and Commerce International released Monday said two officers of the scandal-plagued bank paid a 3 million Dollars bribe to top officials at Peru's central bank, reports AP.

The allegation is part of an indictment charging the Arab-owned bank and its founders with defrauding investors, falsifying records and stealing some 30 million Dollars Manhattan District Attorney Robert Morgenthau said.

"This indictment spells out the largest bank fraud in world financial history," said Morgenthau.

London stocks all-time high

LONDON, July 30: The London Stock Market surged to an all-time trading high on Monday extending a string of records in the last two weeks amid hopes that the British economy would soon be on the road to recovery, reports Reuter.

The Financial Times-Stock Exchange Index of 100 leading British shares topped 2,600 for the first time, reaching a peak of 2,612.4 before easing back to 2,605.5 at 11:15 GMT, still up 16.2 from Friday's record close.

But other major bourses fell on worry about interest rates.

Japan's jobless rate remains at low

TOKYO, July 30: Japan's seasonally-adjusted jobless rate edged up 0.1 percentage points in June from the previous month to 2.1 per cent, the management and coordination agency said Tuesday, reports AFP.

The agency in its monthly labour report said the number of unemployed totalled 1.38 million, up 60,000 or 4.5 per cent from the previous month. However, the number of working people in June increased 1.41 million.

There were 143 job offerings for every 100 job seekers in June, compared to 144 job vacancies for every 100 in May.

German agency selling 10,000 properties

BERLIN, July 30: The Treuhandsanstalt agency on Monday stepped up its drive to privatise East German state assets, announcing the sale — by mail order — of 10,000 buildings and parcels of land worth billions of Dollars, reports AFP.

The agency published a catalogue of 813 properties that are immediately for sale, ranging from empty hotels and restaurants to farmhouses and offices and plots of land for building. Investors can fill in brief application forms at the back of the catalogue, detailing the amount they bid, and their plans as to how the property will be used and how many jobs could be created.

\$45b spending for 6 months okayed in India

NEW DELHI, July 30: India's Parliament passed a vote on account allowing the government to spend the equivalent of 45 billion U.S. Dollars in the first six months of the current fiscal year, reports AFP.

The vote on account was required because of the delay in presentation of a full fledged federal budget, which was announced Wednesday five months late because of domestic political turmoil that resulted in early elections.

A vote on account taken in March had allowed spending until July 31.

Bleak picture outlined for Arab economy

ABU DHABI, July 30: Despite the end of the Gulf war, Iraq will continue to suffer, Gulf states will be under financial stress and the rest of Arab nations will see more economic woes, a Gulf official has said in a report obtained Monday, reports AFP.

The bleak picture was outlined by Osama Al-Faqih, Chairman of the Abu Dhabi-based Arab Monetary Fund (AMF), the Arab League's lending arm, at a meeting of Saudi Economist last week.

There have been varied estimates on the cost of the war, but experts agree it adversely affected the economies of many countries. Kuwait, emerging badly mauled from the war, faces a huge reconstruction and defence bill, without its enormous investments abroad, its economy would plunge.



LGRD Minister, Barrister Abdus Salam Talukder addressing a reception meeting in honour of Ziaul Haq Zia, Member of Parliament, ex-General Secretary, Rupali Bank Officers' Association and ex-Secretary General, Bank Officers' Federation held at Rupali Bank's Head office at Dhaka on Sunday.

Export credit discussed for leather, frozen food

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Moratorium on repayment of outstanding working capital loans for one year and on instalment dues on account of term loans for two years for the frozen food units, affected by the cyclone and tidal surge of April 29, was further pleaded by the sector.

Export credit discussed for leather, frozen food

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Meanwhile, Taher Sobhan, Chief Adviser, Bangladesh Frozen Food Exporters Association, in a statement issued to the press, resented failures of the export policy to fix the rate of interest on export credits at 9 per cent.

While welcoming the objectives of the new industrial policy, he stressed that the problems of the frozen food sector should be sorted out.

Price Barometer: Essentials

Table with columns: Item, Price (July-30), Change (July-30). Includes categories like Rice, Vegetables, Pulses, Meat, Spices, etc.

Abedi still clings to dream of banking empire BCCI reopens in Sri Lanka

COLOMBO, July 30: The Colombo branch of the scandal-hit Bank of Credit and Commerce International (BCCI), closed since July 5 after a worldwide failure reopened on Monday under the management of a Sri Lankan bank, reports Reuter.

There were no queues or large-scale withdrawals, as some banking sources had expected.

"Business is as usual. Depositors have learnt to trust US," said Lalthi Kotalawala, Chairman of Seylao Bank.

Seylan, Sri Lanka's newest privately-owned bank took over the management to BCCI Colombo under an agreement signed with the central bank last week.

Kotalawala said last week that his bank guaranteed all Sri Lankan depositors but there was nothing they could do about foreign assets which had been frozen in the Bank's Cayman Island head office.

Banking sources in Colombo, said it was the first instance of BCCI branches being handed to a local bank to manage after being taken over by a central bank.

Seylan General Manager Rohan Perera said about 2-1 million Rupees (\$2.500 Dollars) were withdrawn in BCCI Colombo's first hour of business on Monday.

It is about the normal withdrawal on any day, he said. Seylan officials have been meeting some of BCCI's 2,000 corporate and individual clients and assuring them that there is no need for apprehension.

"Your money is safe now, there is no need for panic," said Kotalawala.

AP reports from Manama: Sheikh Zayed bin Sultan Al Nahayan may step in to rescue shareholders of the BCCI by setting up a new bank, a Gulf official said Monday.

The official, a close friend of the ruling Al Nahayan family, the major BCCI shareholders, said the Abu Dhabi ruling family would try to set up the new bank only if it would help reduce the shareholders' losses.

The official, who spoke on condition of anonymity, would not say whether Sheikh Zayed would reach a decision before Tuesday's court hearing in London on BCCI.

Call to restore discipline in banking sector

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Abedi still clings to dream of banking empire

Another report from Karachi says: Agha Hasan Abedi, founder of the scandal-tainted Bank of Credit and Commerce International, dreamed of building a Third World banking empire to challenge the Western financial giants.

But two massive heart attacks in early 1988 forced him to relinquish control of BCCI, now linked to drugs and dirty deals and portrayed as a cover of slush funds, arms deals and the plundered wealth of corrupt dictators.

On Monday, prosecutors in New York announced the indictment of BCCI and four affiliates, Abedi and his former deputy, Swaleh Naqvi, on charges of fraud, falsifying records and stealing more than \$30 million.

Overall, banking regulators believe BCCI has funnelled as much as \$15 billion of depositors' money into illicit activities.

Although he's now confined to a wheelchair, secluded in his modest Karachi home and no longer part of the huge network he helped create, Abedi still clings to his lifelong goal.

Abedi's wife, Rabia, fiercely guards her husband's privacy. She rarely allows outsiders to talk to her husband, who at times speaks with difficulty.

Despite health problems, Abedi still insists he's strong enough at age 69 to try to build another bank, called Progressive Bank.

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Raw Jute

Table with columns: Variety, Price (July-30), FOB (Sight), FOB (180 days). Includes categories like Kutcha bales, White, Tossa, etc.

Exchange Rates

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

Gold & Silver

Table with columns: Item, Price (July-30). Includes Gold, Silver, etc.

Hides & Skin

Table with columns: Item, Price (July-30). Includes Cow, Lamb, etc.

Fined \$200m for violating laws

NEW YORK, July 30: The Bank of Credit and Commerce International (BCCI) was indicted on Monday on charges of running "the largest bank fraud in world financial history" and slapped with a record 200 million dollar fine for violating US banking laws, reports Reuter.

It was the strongest action to date against the private Luxembourg-based bank since it was shut down by authorities around the world on July 5.

The Federal Reserve Board, in assessing the fine, said the bank broke multiple banking laws by secretly buying shares in three US banks.

Dhaka Stock Exchange Market Profile July - 30. 134 Listed Stocks. 15 Gains, 6 losers, 113 Unchanged. 113 Unchanged stocks include five traded on the day at its previous quoted prices. DSE All Share Price Index = 302,127.5. Issued Capitals: Taka 5,439,680,590. Market Capitalisation = 8,633,370,552. Turnover = Taka 3,48,765.00 (Value) 4,311 (Volume).