

White paper on public sector demanded

Star Economic Report
Syed Manzur Elahi, President of Metropolitan Chamber of Commerce and Industry (MCCI), in a statement on Thursday, made an appeal to the government to release a white paper on the public sector enterprises. The economic rationale and "social justice" to stake public resources for covering up inefficiencies and wage increases in the public sector organisations, must be made clear to the people, he observed.

The MCCI chief mentioned the recent statement of the World Bank Vice-President about the aggregate annual loss of Taka 2000 crore by the public sector enterprises. He said the government should salvage the nation from such an alarming situation. Taka 5459 crore have been invested in the public sector corporations in the last two years inspite of their loss of Taka 988 crore in the same period, he added.

He said the government should also invest in the power sector although it is incurring a system loss of over 40 per cent. Power Development Board (PDB) was deprived of a minimum revenue of Taka 868 crore due to this loss in the last two years. Moreover, the railways and post office department also lost Taka 340 crores due to its inefficiency during the same period.

Yet, he said, all these organisations spent huge amounts as new wage concessions. The government statistics show that the public sector wage increased by more than 65 per cent since 1986, average wage-cost being Taka 37,000 per employee in 1990-91, he added.

Nepalese rice output falls

KATHMANDU, Aug 15: Rice production in Nepal is likely to decline this year due to a shortage of rainfall, an Agriculture Ministry official said Wednesday, reports AFP.

Bishnu Prasad Sharma, Joint Secretary at the Ministry of Agriculture, said production of Nepal's primary export would fall no more than 10 per cent, while local farmers said the drop in yield could be far higher.

In defending the 10 per cent figure, Sharma admitted that the ministry had yet to receive reports on the situation in some parts of the country.

Only 13 per cent of Nepal's cultivable land has irrigation facilities, while the rest relies purely on rainfall to water the crops.

Price Barometer: Essentials

Table with columns for various commodities like Rice, Vegetables, Fish, and Pulses, listing prices per kg and per 100 pieces for August 15.

Plea to disinvest shares of industrial units

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Dhaka Stock Exchange (DSE) authority on Thursday handed over a memorandum to Industries Minister Shamsul Islam Khan, demanding disinvestment of government shares in different industrial units.

The Minister visited the exchange and discussed the role and operation of the exchange with the DSE authorities. The DSE in its memorandum demanded full support for arrangements of adequate working capital, and supply of machinery and raw materials.

Presenting the memorandum, DSE Chairman Aminul Islam Khan said the government should divest its equity holding in different multinational companies to the public. This will increase the supply of good shares in the market, activating it further, he added.

The DSE Chairman said the government should disinvest totally its shares of those public sector enterprises which had earlier been divested partially. The valuation of shares for disinvestment of government holdings should be correctly made and a committee should be formed by the concerned ministry to facilitate proper valuation of shares to be disinvested.

He also said the major step towards denationalisation would be to disinvest the profit-making industrial units. He pointed out that the over valuation of some public enterprises under the earlier holding companies caused distortions in their capital structures. Such companies could not provide attractive dividend due to over capitalization.



Minister for Industries Shamsul Islam Khan addressing the members and executives of Dhaka Stock Exchange (DSE) on Thursday. State Minister for Civil Aviation Abdul Mannan, Chairman of DSE Aminul Islam Khan and Honorary Secretary General of DSE M A Qayum are seen.

entrepreneurs should not be dependent on bank loans, rather they should look for equity support. He observed that the

banks should provide working capital only. The companies should raise capital through public floating of shares and for this purpose, there should be a favourable environment for a better performing corporate sector, he added. He observed that mobilisation of small savings and their proper utilisation would make the enterprises efficient because the latter would then be accountable to the shareholders.

He said some profitable organisations in the non-corporate private sector may have to sell their shares at a premium while opting for their conversion into public limited companies. The Controller of Capital Issues (CCI) should carefully fix the rates of such premiums, he added.

He demanded that the "active" members of DSE should be provided credit support by the banks up to Taka one crore at the lowest rate of interest. He proposed that the insurance companies, banks and other financial institutions should allocate a portion of their investment funds for investment in shares. The government and different sector corporations can also invest

their provident fund in shares. He suggested that more investment companies should be set up in the country.

Later, Industries Minister Shamsul Islam Khan said the stock exchange has a strong role in promoting market economy. He said the government and DSE should come side by side for rapid industrialisation.

The Minister said, as the government believes in free economy, it would not discourage setting up of industries in the sectors which are already over saturated. He said the government would provide all information on the capacity of a sector and the number of already operational units in the sector to the financing institutions.

The institutions would decide whether they would further provide credit to the sector. The Minister said some industries could be set up with investments through DSE. He said offers have been received from some parties who are interested to provide machinery on ten years' deferred payment basis. He said the capital for these industries can be raised through the DSE.

India to purchase 4 US Boeings

NEW DELHI, Aug 15: India's cabinet has approved the purchase of four Boeing 747-400 passenger jets in time for a deadline set by the firm for the signing of the 754 million US dollar deal, Air India said Wednesday, reports AFP.

The final deal was to be signed in Bombay, an Air India spokeswoman said. The approval at a cabinet meeting Tuesday night ensures Air India does not miss the delivery slots for the planes, two of which are to be included in its fleet by the end of 1992 and the rest by mid-1993. The US manufacturer had set Thursday as the deadline to finalise the agreement.

The Business and Political Observer said India had held preliminary talks with a consortium of international banks to finance the deal, whose signing was delayed twice at New Delhi's request because of domestic political instability.

The interest rate and repayment schedule are still to be finalised, but Air India officials are hopeful of securing good terms considering the airline's good debt servicing record, the newspaper said.

The purchase is part of a fleet modernisation programme by the state-owned Air India, the country's international carrier, and the new aircraft will replace four planes that are 20 years old.

The long-range jets have a capacity of 412 passengers.

Scheduled Banks Affairs

(Statement of position of scheduled banks at the close of business on August 1, 1991)

Following is the statement of position of scheduled banks as at the close of business on August 1, 1991, says a press release:

Table with columns for Demands/Liabilities and Assets in Bangladesh, listing various categories like Deposits, Borrowings, and Investments.

Note: Figure shown in column No. (9) above includes foreign currency loans of Taka 175,75,34,000.

*N.A.=Not Available

BCCI (Overseas) Ltd. operators in Bangladesh are suspended from July 6, 1991.

Prices of essentials rise in Ctg

From Nurul Alam

CHITTAGONG, Aug 15: Prices of all essential commodities in Chittagong markets recorded a stepwise over the last few weeks causing immense sufferings to the low-income groups here.

Fish, meat, eggs, potato and other essentials rocketed high in prices. Price pressures have been stronger mainly after the catastrophic disaster of April 29.

Traders here attributed the cause of price-hike to scanty supply of goods because of communication dislocation and other troubles. Fish is scarce and the prices have shot up due to insufficient supply as deep sea trawling has almost stopped.

One kg of Magur fish sells at Tk 120.00. The price of Hilsa is Tk 40.00 as against Tk 60 before the cyclone. Rui sells at Tk 100.00 per kg as against Tk 80.00 earlier. 'Lata' fish is being sold at Tk 40.00 per kg and 'Katal' at Tk 60.00 a kg.

The price of chicken rose to Tk 70.00 per kg from Tk 60.00 previously. Beef registered a rise by Tk 10.00 per kg to Taka 60.00 per kg. And price of mutton went up to Tk 100.00 from Tk 75.00 a kg.

The price of potato marked a steep rise from Tk four per kg to Tk six per kg. And a 'half' (four) of eggs sales now Tk 14.00 as against Tk 11.00 previously.

Retail price of 'patjam' rice is at Tk 17.00 per kg and that of soyabean at Taka 40.00 per kg. Sugar is dearer by Taka two a kg and sells now at Taka 32.00 per kg.

10-Taka Prize Bonds draw held

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The 99th draw of Prize Bonds of 10-Taka denominations were held in Khulna on Thursday in the conference room of the Deputy Commissioner, says a press release of Bangladesh Bank.

The Divisional Commissioner Aminuddin Choudhury presided over the function arranged by Bangladesh Bank on the occasion of this draw. The draw was held under the system of single common draw covering 65 series now in circulation. The elite of the city witnessed the draw ceremony.

Tea prices drop in Ctg

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Top prices realised in the unity brokers catalogue at the auction were CTC brokers of BOI grade from the Patrakhola and Madanmohanpur gardens fetched Taka 53.80 and CTC fannings of grade OF from the same gardens realised Taka 53.20.

According to a market report by Unity Brokers, withdrawals were high when sellers were unwilling to meet the market prices. Russian purchase was selective and the quantity was below the last few sales which prompted prices to ease sharply.

Iran lent useful support for most well-made CTC teas while Egypt was active for the medium and lower fannings.

Lower export limits led to a decline of all CTC brokers prices below last levels. Prices generally eased at an average of Taka 2 and Taka 3. Prices are now at attractive levels for the entry of new interests, the market report said.

Leaf offerings consisted of 25,641 packages at the sale (No 15) held on August 13. The next weekly sale (No 16) is scheduled to be held on August 20 with a total offering of approximately 25,000 packages of leaf and about 5,000 packages of dust teas.

Orthodox: Forty packages of OPs sold at Taka 60 whilst another 40 packages of GBOPs realised Taka 48 and 40 packages of FOPs sold at Taka 46.

CTC: Prices of all brokers generally eased further this week at between Taka 2 and Taka 3. Bolder types eased further. Few selective lines fetched between Taka 52 and Taka 53.60. Fannings were comparatively in better demand but prices were easier by Taka 1 and Taka 2. Few lines held between Taka 53 and Taka 55.90.

Dust: 4,477 packages were on offer. Lower demand led to easier rates at between Taka 2 and Taka 3. Withdrawals were high.

Green Tea: 530 packages were on offer. Primaries realised between Taka 58.25 and Taka 71.10 whilst the secondaries sold between Taka 53. Taka 41 and Taka 41.80.

Call money market

Money rates in the Call money market during the week ended August ranged from 10.00 per cent to 12.00 per cent. During the same week interest rates offered by the bank on Certificate of Deposits varied from 10.00 per cent to 14.25 per cent. The bank rate, however, remained unchanged at 9.75 per cent, says a Bangladesh Bank press release Thursday.

Shipping Intelligence Chittagong Port

Table listing shipping arrivals and departures from Chittagong Port, including vessel names, berths, and agents.

Snippets

China to buy 13 Boeing planes
SEATTLE, Aug 15: China has agreed to buy 13 Boeing 757-200 airliners for 800 million dollars, Boeing announced on Wednesday, reports Reuters. "We are very pleased because it signifies that China has a continuing interest in Boeing Aeroplanes - it has been a Boeing customer for 18 years," said company spokesman David Jensen. China had said in May 1990 that purchasing the planes was an option. Jensen said Boeing is increasing purchases of supplies from China for its jets.

Indian govt wins acclaim for reforms

NEW DELHI, Aug 15: India's new government won acclaim from big business Wednesday for further easing trade regulations in a sequel to a reform package announced last month, reports AFP. The announcement Tuesday that the government would ease import and export restrictions on 36 items, allow exporters to hold dollar accounts, liberalise bank credit procedures and phase out more import licences was welcomed as a major boost to trade.

34 units to be allowed to import

NEW DELHI, Aug 15: The Indian government announced Wednesday that 34 industries would be allowed to import foreign technology without receiving clearance from the state, reports AFP. The decision, announced in an industry Ministry press statement here, follows moves by the new government of Prime Minister P.V. Narasimha Rao to liberalise India's economy. They announced names of these industries.

Japanese banker can be forced to resign

TOKYO, Aug 15: Industrial Bank is Japan President Yo Kurosawa could be forced to resign in the wake of new loan scandal which has rocked financial institutions here, the Asahi Shimbun reported Wednesday, reports AFP. The bank, the top long-term credit institution in Japan, has come under fire from the Finance Ministry's Banking Bureau for allegedly extending a massive loan to an Osaka restaurant owner, the newspaper reported.

British lawyers seek to oversee BCCI

LONDON, Aug 15: British lawyers applied to the High Court on Wednesday for the appointment of a second accountancy firm to oversee the affairs of the scandal-hit Bank of Credit and Commerce International (BCCI). London law firm Richard Butler, representing depositors with more than 509 million Dollars trapped in the bank, had submitted papers and was now waiting for a date for a hearing.

The Bank of England led a worldwide swoop to close BCCI on July 5 after allegations of massive fraud.

Unemployment rate rises in S. Africa

JOHANNESBURG, Aug 15: South Africa's official unemployment rate has rocketed from an estimated 10 per cent in 1983 to 17 per cent in 1991, economic co-ordination minister Dawie D Villiers said Wednesday, reports AFP. He told the congress of Afrikaans business chamber, the Afrikaanse Handelsinstituut, that probably more than 2.5 million South Africans are jobless. Official unemployment figures exclude black people living in the country's four nominally independent tribal homelands and are based on the number of people registered as being out of work.

NZ farmers unhappy over Saudi wheat

WELLINGTON, Aug 15: New Zealand farmers were Wednesday taking a cautious line over plans to import 25,000 tonnes of heavily-subsidised Saudi Arabian wheat, reports AFP. The farmers' union, Federated Farmers, said the wheat could severely harm the country's grain growers, but they are also worried any row could damage New Zealand's multi-million dollar live sheep trade with Saudi Arabia.

The Farmers' Arable Section Council Chairman Stuart Collier said he was being careful not to criticise the source of the wheat but instead the level at which it had been subsidised. Growers were apparently paid over four times the cost of landing it in New Zealand.

Roh offers investment in North Korea

SEOUL, Aug 15: Seeking to improve the climate for high-level talks in two weeks, President Roh Tae-Woo said Thursday that South Korea is ready to ease military and political tension and invest in rival North Korea. "We are ready to build joint venture plants in certain areas of North Korea, jointly develop tourism and natural resources and do joint venture business in third countries," Roh said in an independence day speech. Roh said both Koreas would be able to discuss trade issues at the upcoming talks between their Prime Ministers in the North's capital of Pyongyang later this month. South Korean Prime Minister Chung Won-Shik and North Korean Prime Minister Yon Hyong Muk are scheduled to meet in a fourth round of high-level talks Aug 27-30 on easing tension and promoting economic cooperation. "In order to ease tension and ensure national reconciliation, we are ready to discuss all issues, military as well as political, without any restraint," Roh said. Roh's remarks came as thousands of students rallied Thursday to march to the heavily armed border and join North Koreans in demanding unification of the divided peninsula. The rally, marked by violent clashes between students and security forces, has forced both sides to call off their dialogue this week and threaten to jeopardize the premiers talks.

'Union treaty to push Rouble to collapse'

MOSCOW, Aug 15: The head of the Soviet central bank denounced President Mikhail Gorbachev's new union treaty on Wednesday, saying it would make a unified monetary-credit policy impossible and cause the collapse of the Rouble. In an article in the weekly Moscow News, Gosbank President Viktor Geraschenko said the current text of the treaty would enable any single republic to sabotage monetary control and reduce the central bank to a debating society. He called for amendments in the treaty, due to be signed by the first republics next Tuesday, to oblige individual republics to follow a centrally-coordinated monetary and credit policy. "I hope that what I have written will be received with understanding," Geraschenko concluded. The union treaty is Gorbachev's blueprint for holding the restive Soviet republics together in a looser federation. Nine have promised, in principle, to sign, while the other six say they want independence. The treaty, thrashed out over three months of negotiations between Gorbachev and powerful Republican leaders, cedes considerable, though ill-defined, powers from the Kremlin to Republican governments. Geraschenko said the current text meant that decisions on a monetary-credit system could be made only through a consensus of all the republics in the new union.

Exchange Rates

Table showing exchange rates for various currencies like USD, GBP, and others as of August 15.