

WB, IMF help to Soviets won't affect LDCs: Saifur

From Moazzem Hossain

BANGKOK, Oct 19: The fear that effects to help the Soviet Union and Eastern European countries in their transition to market economies would be at the expense of existing clients of the World Bank (WB) and the International Monetary Fund (IMF) in the developing countries has largely been overcome.

This was stated by Finance Minister M Saifur Rahman at an interview with The Daily Star at Ambassador Hotel here today. Rahman leaves for Dhaka today (Sunday) after attending the joint annual meeting of the World Bank and the IMF which concluded here Thursday.

Giving his impressions

Marked rise in share trading

Star Economic Report
The week began at Dhaka Stock Exchange (DSE) with a marked rise in trading on Saturday.

In volume terms transactions moved up to 43,780 from Thursday's 30,422. Traded issues valued Taka 24,62,520.00 against Thursday's Taka 20,67,239.00.

Advancers dominated trading. And DSE All Share Price Index, which is the broad indicator of price movements of all the listed stocks, moved up slightly to 288,421.2 points from Thursday's 287,783.2.

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

The debenture of Beximco Pharma advanced Taka 7.38 to Taka 1647.38.

Kohinoor Chemical gained Taka 6.15 to Taka 96.75.

Renwick Jagnewar and Usmania Glass moved up Taka 4.38 and Taka 4.00 to Taka 76.38 and Taka 150.00 respectively.

Eagle Box and Zeal Bangla Sugar gained Taka 2.80 and Taka 1.63 to Taka 29.48 and Taka 12.00.

Bangladesh Autocars, Howlader Pvc, Quasem Drycells, Dhaka Vegetable, Ashraf Textile and Apex Tannery advanced within the range between Taka 0.13 and Taka 1.59.

Aziz Pipes declined Taka 10.00 to Taka 280.00.

BGC Insurance, Aftab Automobiles, National Tubes, Bengal Food and Beximco lost within the range between Taka 0.01 and Taka 1.00.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on October 19, 1991.

Company	EV/ML*	Closing Rate	Company	EV/ML*	Closing Rate
BANKS (Ten)					
AL Baraka Bank	1000/1	760.00	Ganika Jute	10/50	NT
AB Bank	100/5	180.00	Islam Jute	100/5	65.00
City Bank	100/5	280.00	Jute Spinner	100/5	95.00
LFIC	100/5	175.00	Mutual Jute	100/5	100.00
Islami Bank	1000/1	1190.00	Northern Jute	10/50	NT
National Bank	100/5	103.00	Shamser Jute	100/5	100.00
Pabani Bank	100/5	85.00	Specialised Jute	10/50	NT
Rupali Bank	100/10	68.15	Shine Pakur Jute	100/5	100.00
U.C.B.L.	100/5	119.00	Sonali Aarsh	100/5	96.00
Uttara Bank	100/5	190.00	PHARMACEUTICALS & CHEMICALS (Fifteen)		
INVESTMENT (Eight)					
ICB	100/5	92.00	Ambee Pharma	10/50	14.10
1st ICB M.Fund	100/5	345.00	Bangla Process	100/5	58.00
2nd ICB Fund	100/5	157.02	Beximco Pharma	100/5	175.00
3rd ICB M. Fund	100/5	133.00	Glaxo	10/50	125.00
4th ICB M. Fund	100/10	130.00	ICI	10/50	10.00
5th ICB M. Fund	100/10	96.13	Kohinoor Chemical	100/5	96.75
6th ICB M. Fund	100/10	63.03	Petro Synthetic	10/50	12.00
ICB Unit Cert.			Pfizer	100/5	116.00
Sales Price			Pharma Aids	100/5	170.00
Re-purchase			Pharmaco	100/5	53.00
INSURANCE (Four)					
BGC	100/10	109.99	Progressive Plastic	110/5	46.00
Green Delta	100/10	115.00	Reckitt & Colman	10/50	240.00
Peoples	100/10	132.67	Rahman Chemicals	100/10	49.00
United	100/10	121.03	Therapeutics	100/5	40.00
ENGINEERING (Nineteen)					
Aftab Automobiles	100/5	201.00	The Bhasina	100/10	90.00
Atlas Bangladesh	10/50	38.50	PAPER & PRINTING (Six)		
Aziz Pipes	100/5	201.00	Eagle Box	10/50	29.48
Bangladesh Autocars	100/5	90.00	Monospool	100/5	106.00
Bangladesh Lamps	100/5	265.50	Paper Converting	100/5	113.00
B.Thai Aluminium	100/10	86.50	Paper Processing	100/10	106.00
Bengal Carbide	100/5	250.00	Padma Printers	10/50	50.00
Bengal Cable	10/50	18.00	Sonali Paper	10/50	50.00
Eastern Cables	100/5	77.12	SERVICE (Two)		
Howlader PVC	100/10	100.00	Bangladesh Hotel	10/50	12.00
Karim Pipe	100/5	138.00	Bd. Service	10/50	NT
Metalex Corp.	100/5	115.00	TEXTILES (Eighteen)		
Monno Staffers	10/5	200.00	Arbe Textile	10/50	NT
Monno Jutes	100/5	200.00	Ashraf Textile	100/10	28.20
National Tubes	100/10	106.00	Chand Textile	10/50	NT
Parther Steel	10/50	6.00	Chand Spinning	10/50	NT
Quasem Drycells	10/50	8.13	Deah Garments	100/10	63.00
Renwick Jagnewar	100/5	76.38	Dulanta Cotton	100.10	84.00
Stinger Bangladesh	100/5	990.00	Eagle Star	10/50	34.00
FOOD & ALLIED (Twenty one)					
A.B. Biscuit	100/5	180.00	GMG Ind. Corp.	10/50	13.00
Alpha Tobacco	10/50	48.00	Modern Dying	100/5	40.00
Aman Sea Food	100/5	36.00	Quasem Silk	10/50	5.85
Apex Food	100/5	330.00	Quasem Textile	10/50	8.00
Aroma Tea	100/5	75.00	Rahim Textile	100/5	56.00
Bangla	100/5	305.00	Saham Textile	100/10	78.00
Bengal Food	100/5	120.00	S.T.M. (ICRD)	100/5	50.00
B.L.T.C.	100/5	400.00	Stylcraft	100/5	100.00
B.T.C.	10/50	40.00	Swan Textile	100/5	60.00
Cig. Vegetable	100/10	99.00	Talhi Spinning	100/10	115.00
Dhaka Vegetable	100/5	132.59	MISCELLANEOUS (Fourteen)		
E.L. Camelin	100/5	700.00	Apex Tannery	100/5	168.00
Frogging Export	10/50	4.50	Aramit	10/50	NT
Gemini Sea Food	100/15	100.00	Bata Shoe	10/100	35.12
Modern Industries	100/5	180.00	Beximco	10/100	9.30
N.T.C.	100/5	280.00	B.S.C.	100/5	45.00
Rubaya Flour	100/10	NT	Chittagong Cement	100/5	173.00
Rupam Oil	100/100	5.85	G. Q. Ball Pen	10/50	49.50
Tulip Dairy	100/10	94.00	Himadri Ltd.	10/100	NT
Young Flour	10/50	NT	Milons Tannery	100/5	33.00
Zeal Bangla Sugar	10/50	12.00	Mono Ceramic	100/5	150.50
FUEL & POWER (Three)					
Padma Oil Co.	10/50	40.00	Phonix Leather	100/5	90.00
Eastern Lubricant	10/50	46.50	Savar Refractories	100/5	115.00
Oxygen	10/50	46.50	The Engineers	100/5	100.00
JUTE (Twelve)					
Ahad Jute	100/10	NT	Usmania Glass	100/5	100.00
Anwar Jute	10/50	NT	DEBENTURES (Four)		
Delta Jute	10/50	8.50	Bengal Food	900/1	945.00
			Beximco	2500/1	2275.00
			Beximco Pharma	1871/1	167.38
			Quasem Silk	2000/1	1640.00

** FV = Face Value ML= Market Lot NT= Not Traded, AL=Allotment Letter

about the outcome of the joint annual meetings, the Bangladesh Finance Minister said that he did not see the current efforts by the IMF and the World Bank to aid the erstwhile socialist economies in their radical market-oriented economic reforms as being a diversion from their policy guidelines. He said it is the responsibility of the IMF and the World Bank to extend stronger support for poverty alleviation efforts, improve social sectors and help infrastructural development efforts in the least developed countries (LDCs) he said while noting that the concern of LDCs has strongly been expressed over the "dangers of negligence" to the interests of the developing countries at the annual meetings of the World Bank and the IMF.

The highlights of this year's annual meetings of the two Bretton Woods institutions were mainly three: economic reform efforts in the Soviet Union, the concern of develop-

ing countries that this would divert attention from their own problems and the need for a successful conclusion of the multilateral trade talks. "The effects of the Soviets Union's problems on the rest of the world were considered to be serious," so told the new World Bank President Lewis Preston at the press conference Thursday at the end of the meetings.

Reviewing the proceedings of the WB-IMF annual meetings, Finance Minister M Saifur Rahman told The Daily Star that the Third World countries including Bangladesh stressed the need for effective replenishment of 10th IDA (International Development Association) funds for concessional lending by World Bank and also for increase of Special Drawing Rights (SDR) by the IMF. This concern and the depth of feelings, expressed by the representatives of the poor nations, have been well taken note of by all the participating member countries in the annual meetings to

augment resources for the developing countries, he added. The President of the World Bank and the Managing Director of the IMF have assured the Third World countries about their all out efforts for augmentation of resources to meet the needs of the developing countries, he observed.

Current efforts to help the Soviet Union in particular would not be an undue strain both in terms of financial resources and staff resources as they concerned only technical assistance and there was no immediate plan for funding to the Soviet Union, the Finance Minister stated quoting the observations by the chiefs of the World Bank and the IMF at the closing session.

Saifur Rahman observed that the theme of the just-concluded annual meetings of the World Bank and the IMF was in line with the priorities for the development process in Bangladesh. Poverty alleviation, sustainable growth consistent

with the environmental protection, human resources development and diversion of funds through reduction in global arms spending to the development needs of the developing countries have been on the agenda of the IMF-World Bank annual meetings, he said.

The World Bank President and the International Monetary Fund Managing Director appreciated the role of the Bangladesh delegation at the meeting for its clear stand on the issues that the Bank and the Fund brought to the fore at this year's joint annual conference, Saifur Rahman added.

IMF Managing Director Michel Camdessus was particularly very vocal about the imperatives for exploiting the prevailing opportunities in the changing international perspective to direct some of the global arms spending into development projects in the Third World. The world faces an uphill task in reducing arms spending despite recent geo-

political developments. It is not easy to demobilize. It is costly and takes time. It is difficult to overcome the inertia of public spending, so he told the press conference at the close of the annual meeting.

As international groups, the World Bank and the IMF have felt that the current period provided the opportunity for reallocating funds which did not benefit developments or alleviate poverty. There was still certain hesitation among IMF members regarding defence cuts.

However, the Bank and the Fund have no plans at the moment to include a requirement that their funding be tied to a requirement reduce arms spending. So both Lewis Preston, WB President, and Michel Camdessus, Managing Director of IMF, stated at their joint press conference. But both stressed that the era of the cold war had brought about an opportunity for cuts in arms spending and increases in development funds.

China to double GDP by 2000 : WB official

By Sabir Mustafa

By the year 2,000 China's gross domestic product (GDP) will double and attain the size of present-day Britain, if the world leaves it alone to get on with its series of economic reform policies introduced back in 1979.

This highly optimistic but cautionary message was given Saturday by the World Bank's China-Mongolia Directorate's Director Shahid Javed Burki at a seminar entitled "China's Reform Policy and its Economic Prospect" by the Bangladesh Institute of Development Studies (BIDS), in Dhaka. The seminar, presided over by the planning adviser to former acting president Shahabuddin Ahmed's interim

government Professor Rehman Sobhan, was also addressed by Minister of Planning AM Zahuruddin Khan.

"China will arrive as a major industrial power if the international community does not interfere with its internal developments," Burki told the seminar attended by a large number of researchers and civil servants. "China will become a major player in world economic activities and developer of new technologies."

The Harvard-educated Burki drew his optimistic conclusions from long experience of studying China and working in the People's Republic. The reform programmes set in motion by

Deng Xiaoping in 1979 have already achieved their initial 10-year target of doubling the country's GDP, he said, and there was every reason to believe the feat would be repeated by 2000.

The target set by Deng was an ambitious one, since the required seven per cent annual rate of growth for a country the size of China was not an easy one. But during 1979-1989, Burki said, GDP grew at a rate of eight per cent exceeding officials' expectations.

Even in the years following the deliberate slow-down initiated in 1988 in response to over-heating of the economy resulting in serious inflationary trends and instability, the Chinese economy grew at an average of five to six per cent.

One of the most significant of the reforms, according to Burki, was the decision to dissolve the famous but ineffectual commune system of agriculture, which was a form of collective farming but less rigid than the Soviet system. The agricultural reforms were first carried out by former general secretary of the CPP Zhao Zhiyang in his own province of Sichuan.

"Since China had always maintained the old family farm structure within the commune system it was not difficult for it to go back to private farming," Burki told the seminar, "and when it did the supply response was electric."

The massive increase in China's agricultural output as a result of private efforts marked the path of development for China's economy in the 80s and beyond.

China's open door policy, laying emphasis on exports and in-flow of foreign capital and technology, provided the boost for growth, with exports increasing at a rate of 15 per cent per year. "This year we expect the value of Chinese exports to go up to 20 per cent" Burki said.

Professor Sobhan also pointed to the existence of a huge domestic market to act as China's engine for growth.

"The external dynamics of the Chinese economy provided enormous and rising domestic demand to give thrust for growth."

The World Bank Director attributed a great deal of China's current success to the groundwork laid by three decades of socialist policies since the establishment of the People's Republic in 1949.

Apart from creating rural infrastructure and achieving a level of stability not since in China for thousands of years, Socialism also produced a highly disciplined workforce.

Planning Minister Zahuruddin Khan said such a level of discipline was not only due to "regimentation" of society, but also to the fact that the Chinese leadership, from the top to the village level, was an accountable one. Burki pointed out that the Chinese had achieved labour discipline and skill with a level of education considerably lower than those of the Asian Tigers such as Taiwan, Singapore, Korea, and Hong Kong.

Burki made a passing reference to the danger of external pressure on China to liberalise its political system, but did not think political reforms were necessary or desirable for China at the moment.

"Economic development should come first, before this so-called political liberalisation. I don't know what liberalisation means in the Chinese context," Burki said.

The Chinese Communist Party according to Burki is not a monolithic party, rather a federation of various factions and regional biases which operated on the basis of consensus. The CPP, Burki said, could therefore continue to rule China the same way the Liberal Democratic Party has ruled Japan, within a broad framework of consensus, since 1945.

Burki said there should be some check on wanton privatisation which, he said, "is a fad developed in the West and accepted in the East without

much thought."

"The Chinese must use the state to ensure that the private sector does not grow in such a way that social responsibility is thrown out of the window," he said.

Despite the warning, the World Bank Director predicted that by the year 2000, two-thirds of the Chinese workforce would be employed by the private sector, which would also be the source of 80 per cent of Beijing exports.

"China will have done in 20 years what the Soviet Union will now have to do in far less time, and China is doing it with none of the social upheavals or economic dislocation experienced in Eastern Europe," Burki said.

The biggest problem faced by Beijing is the poor performance of its state-owned enterprises which currently account for 50 per cent of the labour force, and provide housing and social security for the workers: This makes them indispensable for social stability until an alternative housing and social security structure is developed.

China although not in the best book of the World Bank, has always been ready to comply with WB conditionalities, which the Beijing leadership regard as a Good Thing anyway. With 90 WB projects under implementation in a 11 billion US Dollar programme, China's portfolio is regarded by Burki as the "best".

"The Chinese are very thorough in the way they work out projects, and once they sign on the dotted line, by job they stick to it," Burki said.

Price Barometer: Essentials

October-19

Item	Price (Taka)
RICE (Taka per kg)	
Amam (Very fine)	20.50-21.00
Amam (Fine)	15.50-17.00
Patina	14.00-15.00
Uthi	14.00-15.00
VEGETABLES (Taka per kg)	
Potato (White)	8.00
Brijal	12.00-16.00
Lady's finger	20.00-22.00
Patil	16.00-18.00
Karolla	22.00-24.00
Lobhak	10.00-12.00
Pui Shak	8.00-9.00
Pappa	6.00-7.00
Green Bananas (Four Pieces)	6.00-10.00
OTHER FOODSTUFF (Taka per kg)	
Flour	13.00-14.00
Am	11.00-11.50
Wheat	8.50-9.00
Sun	17.00-18.00
FISH (Taka per kg)	
Rubi (big)	120.00-130.00
Katla (big)	90.00-110.00
Hilsha	40.00-45.00
Pungas	90.00-100.00
Shrimp (big)	80.00-80.00
Singi	75.00-80.00
Koi	70.00-80.00
EGG (open)	
Hen	13.00
Duck	13.00
Finn	14.00
PULSES (Taka per kg)	
Mash	29.00-30.00
Mung	28.00-30.00
Chhola	23.00-24.00
Matar	24.00-26.00
Chowri	15.00-16.00
MEAT (Taka per kg)	
Beef	55.00-60.00
Mutton	80.00-90.00
OIL (Taka per Litre)	
Mustard	50.00-52.00
Soyabean	36.00-37.00
Coconut (Colombo)	70.00-80.00
Vegetable Ghee	50.00-52.00
SPICES (Taka per kg)	
Onion	19.00-20.00
Cardi	36.00-44.00
Chillies	80.00-90.00
Turmeric (Round)	48.00-56.00
(Long)	52.00-54.00
Green chillies	60.00-64.00
Cinger	12.00-14.00
Cinnamon* (10gms)	3.00-3.50
Cardamom* (large)	3.00-4.00
MILK (20gms)	7.00-7.50
MISCELLANEOUS (Taka)	
Che	225.00-240.00
Tea (Dist)	80.00-90.00
Salt	8.00-9.00
Sugar	28.00-28.00
Melassan	22.00-24.00

Exchange Rates

October-