

# 3 Dhaka firms working in Iraq seek fund

Star Economic Report

Three Bangladeshi construction firms working in Iraq on Tuesday urged the Government to provide them with the financial assistance from the crisis management fund. Following Gulf war, their outstanding bill with Iraqi gov-

ernment amounted to Tk. 36 crore.

Addressing a press conference in a local hotel, Mr. Nasiruddin Choudhury, Managing Director, Technocons Limited, told newsmen that the three companies were engaged in construction work in Iraq and approximately 12,000 workers and employees were recruited from Bangladesh for the purpose. The Technocons Limited and Bangladesh Consortium Ltd (BCL) were awarded the work contracts in Iraq from 1979 under the auspices of the Ministry of Works. The other company, Bengal Development Corporation (BDC) has been carrying out contractors' job from 1981.

Through their services, three companies earned Tk. 100 crore in foreign exchange for Bangladesh.

Choudhury said these firms did not get any assistance from the government in procuring foreign currency, rather they had procured at their own initiatives.

He said Iraq paid the Dinar portion of the contract within two months but delayed the payment of dollar portion. The protracted war with Iran resulted in delayed payment of the foreign currency component. The workers were getting their regular payment in Dinar but payments of the foreign currency (FC) portion were being sent to Bangladesh in FC accounts, he added.

Choudhury said the companies faced a serious problems after Iraqi operations in Kuwait. Nearly 3500 workers, engaged in different projects by the companies faced uncertainty following scarcity of essential commodities and escalation of tension. The workers returned home almost empty handed in October last year, he said.

The returnee workers put pressure on the companies to pay their arrear salaries which amounted to Taka 25 crore. An amount of Taka 36 crore is lying outstanding with the Iraqi government. Given the situation, the recruiting agents are in a tight corner and unable to pay arrear salaries to the

workers, Choudhury said. Government was requested on several occasions to pay heed to their problems and arrange an interim fund.

Choudhury said the government provided financial assistance to jute and fish exporting companies but the construction agencies failed to get assistance although the problem is of greater magnitude.

Over the few months, they have approached Crisis Management Committee (Task Force), Labour and Manpower Ministry, Works Ministry, Finance Ministry and Ministry of Foreign Affairs, he said.

Citing examples of other countries, Choudhury said, most of the contractors working in Iraq got financial help from their respective countries after the Gulf crisis. He said even the Exim Bank of India gave 90 per cent of pending bills in cash to Indian Construction Companies working in Iraq.

Choudhury suggested that soft-term loans should be arranged from the commercial banks through Bangladesh Bank against the pending bills.

Replying to a question, Choudhury said if government help was not forthcoming, hundreds of families will fall into great distress. He urged the government to take immediate steps to solve the crisis.

The press conference was also addressed, among others, by Mr. S.R. Khan of Bangladesh Consortium Limited, Mr. Monzur Hossain of the Engineers Limited, Mr. M.U. Ahmed, Director, Bengal Development Corporation.



Pabda fish at the New Market kuteha bazar. Short supply makes this delicious variety a costly proposition. — Star photo

## Sharp fall in Saudi oil revenues War costs hit economy

DHAHRAN, Feb 5: Mush-rooming war costs and falling oil revenues will badly hit Saudi Arabia's 1991 budget, which has already been delayed because of difficulties in predicting cash flow, economists in the Kingdom said on Monday, reports Reuter.

Nobody knows how much the world's biggest oil exporter will end up spending on the war with Iraq, Riyadh postponed announcing its 1991 budget last December mainly for that reason.

But economists estimate Saudi Arabia spent or pledged more than 30 billion Dollars to cover Gulf crisis costs even before the war broke out on January 17.

This easily dwarfed extra income generated by higher oil prices and production during the last five months of 1990.

"It's a very grim scene," one economist said. "They accumulated some revenues from added crude production but it didn't measure against addi-

tional commitments." Costs now are much greater than projected. To find that money now while oil prices are dropping will be difficult. Its going to hit them really bad," he said.

Emergency spending devoured 15 to 20 per cent of the Kingdom's Gross Domestic Product (GDP) in 1990 and more than doubled its projected budget deficit of 6.7 billion Dollars, the economists said.

Saudi Arabia is covering fuel, food and housing costs for nearly three quarters of a million foreign soldiers on its soil. This commitment added to its own defence costs and new arms deals with the United States totalled 18.2 billion Dollars in 1990, one economist said. Part of the arms deal, worth around seven billion Dollars, was delayed at Washington's request.

Riyadh also gave six billion Dollars to countries like Egypt, Turkey and Syria whose economies have been hurt

## OPEC chief calls for truce Oil plays central role in war

Algiers, Feb 5: OPEC President Sadek Boussena called on Monday for a ceasefire in the Gulf war, saying the organisation could get back on its feet, reports Reuter.

"There are risks to OPEC (from the Gulf war), but at the same time I have not heard anyone say the Organisation should not exist afterwards," Boussena, Algeria's Mines and Industry Minister, told Algerian Radio.

The Organisation of Petroleum Exporting Countries plunged into the worst crisis of its 30-year history after funding member Iraq invaded and annexed Kuwait last August, leading to war against a US-led coalition including key OPEC member Saudi Arabia.

A July 1990 price and production pact has been suspended and members allowed to pump oil at will. OPEC ministers are next due to meet in Vienna on March 11.

Boussena said oil played a central role in the motivations of the alliance now fighting Iraq.

The United States has be-

tween 10 and 12 years of oil production. Maybe they consider they need to be reassured about access to these resources that are strategic and vital for decades to come," he said.

Boussena declined to predict the future of world oil prices, saying supply and demand had become irrelevant and psychological factors related to the war had taken over.

"We are still in a situation of uncertainty. It is enough for the [oil] installations of one country in the region to be hit or destroyed for a new increase in prices... I do not exclude other factors leading to a reduction in prices."

World oil prices have plunged to around 20 dollars a barrel, below OPEC's benchmark of 21 dollars a barrel, from pre-war highs of up to 40 dollars a barrel.

Boussena has previously accused the International Energy Agency, the Paris-based energy watchdog, of helping to engineer the fall by releasing stocks.

## Foreign investments in India slump

NEW DELHI, Feb 4: Foreign investment approvals by the Indian government declined sharply to 1,283 million Rupees (73.3 million U.S. Dollars) in 1990 from 3,166 million Rupees (180.9 million U.S. Dollars) in 1989, local press reported today, reports Xinhua.

The US investment approvals came down sharply from 970 million Rupees in 1988, the highest, to 620 million Rupees in 1989 and 345 million Rupees in 1990.

Germany, the second largest investor in India in recent years, also recorded a fall from 1,200 million Rupees in 1989 to a mere 195 million Rupees in 1990.

So was the case with British investments coming down from 334 Rpt 334 million Rupees to 90 million Rupees.

Although Japan has emerged as the world's largest creditor-nation rapidly expanding its investments abroad, India's share was only 50 million Rupees.

In the 1982s the highest investment by Japan was 250 million Rupees in 1982 followed by 170 million Rupees in 1988.

## Pak textile exports likely to fall by 35 pc

ISLAMABAD, Feb 5: Pakistan's textile sector is likely to suffer a loss of about 35 per cent till March this year due to the ongoing Gulf war while its exports of fresh vegetables and fruits have almost come to a halt, sources of Pakistan business circles said here Tuesday, reports Xinhua.

Leading exporters and businessmen in the country said at a recent meeting that the state of economy in Pakistan is alarming due to the Gulf war. They called upon the Prime Minister to introduce fruitful measures on war footing.

Otherwise, Pakistan will face irreparable loss in terms of foreign exchange earnings through low exports and low industrial activities, the sources said, noting that Pakistan's exports to the Middle East and Gulf countries constituted about 10 per cent of the country's aggregate exports.

There is an urgent need for diversification of products and markets due to the Gulf war. Delegations should be sent abroad to brief European and Far Eastern importers that Pakistan is not directly in the war zone, production and industrial activities are normal

## Moderate rise in share trading

Star Economic Report

Dhaka Stock Exchange witnessed on Tuesday a moderate rise in trading but most of the traded stocks lost in prices selling pressures were strong.

Dhaka Stock Exchange (DSE) All Share Price Index declined by 1,246.00 points to 335,157.3 compared with Monday's 336,403.3 points. With that, the uptrend in index witnessed in previous two days was reversed. The index is the indicator of price movements of all the listed stocks with the exchange.

Twentytwo listed stocks were traded. Of them thirteen declined, five gained and four remained unchanged their previous quoted prices.

In all 3361 shares changed hands, against 2656 the previous day. Transactions valued Taka 252,160.00 compared with Taka 104,500.00 the day before.

On the losers side UCBL Bank and National Bank got the major slash. They lost Taka 8.00 and Taka 6.82 to Taka 130.00 and Taka 103.81 respectively at closing.

N.T.C in Food and Allied sector and Rupali Bank declined by Taka 5.00 each to Taka 250.00 and Taka 80.00.

Afhab Automobile and Third ICB Mutual Fund lost Taka 4.00 and Taka 3.00 to Taka 195.00 and Taka 143.00 respectively.

Bcximco Pharma and Fourth ICB Mutual Fund declined by Taka 2.80 and Taka 2.22 to Taka 150.00 and Taka 133.50.

Dhaka Vegetable, G.G. Ball Pen, Bangladesh Thai Aluminium, United Insurance and Sixth ICB Mutual Fund lost between the range of Taka 0.40 and Taka 1.00.

Among the gainers Islami Bank advanced by Taka 8.75 to Taka 1020.00.

National Tubex and Bangal Food gained Taka 5.00 and Taka 3.21 to Taka 115.00 and Taka 175.00.

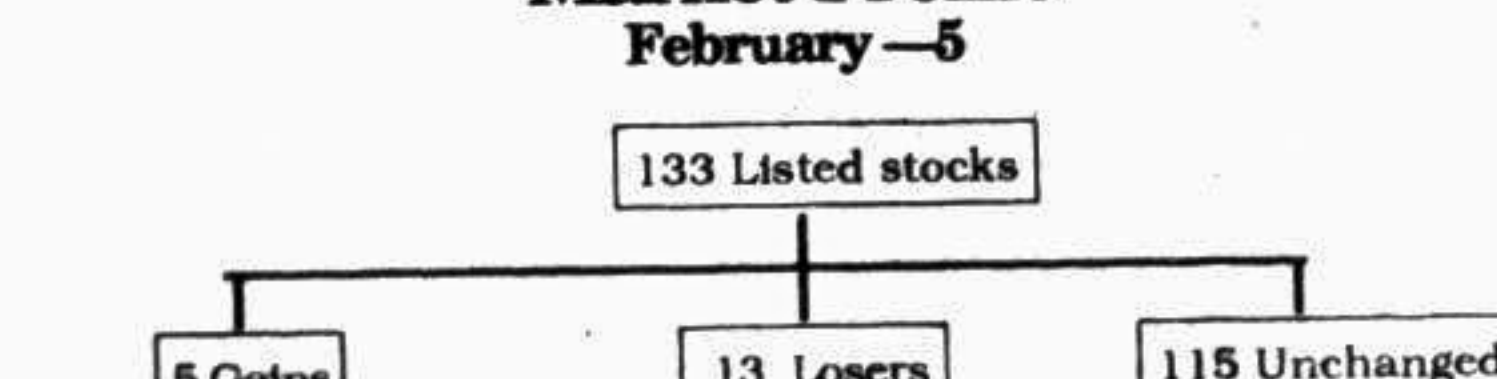
Howlader PVC and Eastern Cables advanced Taka 2.00 and Taka 0.95 to Taka 105.00 and Taka 80.95.

## Quoted Prices of Traded Stocks February 5

Stock	100/1	100/5	100/10	Change*
Islami Bank	1020.00	1020.00	1020.00	(+8.75)
National Bank	103.18	103.18	103.18	(-8.82)
Rupali Bank	80.00	80.00	80.00	(-5.00)
U.C.B.L.	130.00	130.00	130.00	(-1.00)
Investment				
3rd ICB M.	143.00	143.00	143.00	(-3.00)
4th ICB M.	133.50	133.50	133.50	(-2.22)
6th ICB M.	87.80	87.80	87.80	(-0.40)
Paral				
Insurance				
United	107.00	107.00	107.00	(-0.50)
Engineering				
Afhab Auto				
mobiles	195.00	195.00	195.00	(-4.00)
Atlas Bangladesh	37.00	37.00	37.00	unchanged
B. The Alham				
vtam	78.38	78.38	78.38	(-0.82)
Eastern Cables	80.95	80.95	80.95	(+0.95)
Howlader Pvc	105.00	105.00	105.00	(+2.00)
National Tubex	115.00	115.00	115.00	(+5.00)
Quasem Dry-cells	7.50	7.50	7.50	unchanged
Food & Allied				
Bengal Food	175.00	175.00	175.00	(+3.21)
Dhaka Vegetables	184.00	184.00	184.00	(-1.00)
N.T.C.	250.00	250.00	250.00	(-5.00)
Pharma & Chem				
Besteco Pharma	150.00	150.00	150.00	(-2.80)
Kohasor				
Chemical	70.00	70.00	70.00	unchanged
The Nitras	85.00	85.00	85.00	unchanged
Miscellaneous				
G.G. Ball Pen	52.00	52.00	52.00	(-0.98)

\*FV=Face Value, ML=Market Lot  
\*Changes: Plus signs mean gain and (-) signs losses.

## Dhaka Stock Exchange Market Profile February-5



\* 115 unchanged stocks include four traded on the day at the previous day's quoted prices.  
DSE All Share Price Index = 335,157.3  
Issued Capital-Taka 4,602,377,190.00  
Market Capitalisation=Taka 9,577,205,037.00  
Turnover = Taka 252,160.00(Value) 3361 (Volume).

Source: Department of Agricultural Marketing

## Company News Star Economic Report

The Annual General Meeting (AGM) of this shareholders of Oxygen Limited will be held today (Wednesday) at 10 a.m. at a city hotel. The company declared its book closure for January 8 to February 6, for transfer of shares.

The company announced a 20 per cent final dividend for 1990 and 27.5 per cent for 1989. It has not announced any dividend for 1991.

## Islami Bank AGM

The AGM of Islami Bank will be held on Wednesday at 10 a.m. at the Sishu Academy.

The bank announced its book closure for share transfer from January 25 to February 7.

It declared 10 per cent interim dividend for 1989.

## Exchange Rates February 5

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (BCs) and Overseas Drafts (ODs)	One Unit of Foreign Currencies (FCs) for Taka
FCs	Selling Buying
US Dollar	35.9226 35.4432
UK Pound Sterling	70.8845 70.0628
German Deutsche	24.4754 24.1326
Mark	
French Franc	7.1924 7.0922
Saudi Riyal	9.6101 9.4819
Dutch Guilder	21.7318 21.4223
Pakistan Rupee	1.6160 1.6006
(AMU)*	
Singapore Dollar	20.8247 20.5313
UAE Dirham	9.8141 9.6831
Kuwait Dinar	Not available
Indian Rupee (AMU): 9305	1.9119
S. Kroner	6.5054 6.4098
*AMU-Asian Monetary Unit	
SECONDARY EXCHANGE MARKET	
Wage Earners Fund/ Export Performance Benefit (XPB) Fund	
	Buying Selling
US Dollar	36.48 36.53
UK Pound	70.90 70.95
Sterling	
*The rates of Pound Sterling are decided every day, based on the cross-rates of New York market	
Source: Sonali Bank	

## Gold & Silver February 5

Gold (Taka for 11.66 grams)	Silver
Tajabi	7200.00
Guinea	7000.00
Silver	200.00

Source: Department of Agricultural Marketing

## HIDES & SKIN (Wet/Salted) February 5

Taka per 100 pieces	
Cow	12,000.00
Calf	15,000.00
Light	25,000.00
Medium	35,000.00
Heavy	50,000.00
Very heavy	65,000.00
Goat	25,000.00
Big & heavy	12,000.00
Light & medium	7,000.00
Rejected	3,000.00
Sheep	9,000.00
BUFPALO	55,000.00
	60,000.00

Source: Department of Agricultural Marketing

# Recession can make US budget irrelevant

WASHINGTON, Feb 5: President George Bush's new budget all but ignores the Gulf war and portrays the recession in the rosiest light, two factors that could make the spending plan utterly irrelevant as Congress begins drafting its own budget, reports AP.

A Democratic Congress often hurls the epithet "dead on arrival" at a budget submitted by a Republican President.

During the Reagan years, Democrats were unhappy because the President chose to emphasize his huge defense buildup and opposition to tax increases at the expense of domestic programmes and a spiraling national debt.

But in unveiling his own spending priorities Monday, Bush has left himself open to the same charge of being irrelevant, not so much for his priorities, but for his decision to ignore certain coal realties.

Bush decided to cast the

recession in the most benign light possible, forecasting that it would be mild and over in the April-June quarter of this year. He also low-balled cost of the war against Iraq, projecting the impact on the US Treasury for this year of just 15 billion Dollars for a conflict some have estimated could total 86 billion.

House Speaker Thomas Foley questioned the 15 billion-Dollar estimate saying it "places a great expectation" on significant contributions by the allies and "a fairly short war."

In fashioning the budget, the administration already was facing the largest federal deficits in history and therefore was loathe to admit that the red ink could turn out to be even worse.

For the current fiscal year, the administration predicted a deficit of 318.1 billion Dollars, meaning that the government is adding to the 3.2 trillion-

Dollar national debt at the rate of nearly 1 billion a day.

For 1992, the administration is projecting the imbalance between revenues and spending will total 280.9 billion Dollars, still well above the previous record of 221.1 billion in 1986.

"It's pretty much what we expected," said Rep. Leon Panetta, a California Democrat. "They basically repeat a list of the same things that go back to the Reagan years."

The administration, criticized by Congress for failing to extract enough in commitments from rich allies such as Japan and Germany, has been stepping up its fund-raising efforts since the war broke out.

Treasury Secretary Nicholas Brady said that for the first three months of this year, the United States has pledged of 41.5 billion Dollars from Saudi Arabia, Kuwait, Japan and Germany.

# Japan's ban on rice imports unchanged

TOKYO, Feb 5: Japan will stick with its position that it must ban all rice imports on national security grounds when multilateral trade talks resume and has no plans to change its argument supporting the restriction, Agriculture Ministry officials said on Monday, reports Reuter.

They denied a report by Japan's Kyodo news service that the government would stop citing the need for self-sufficiency in the staple and would call for a revision of a rule set by the world trade body GATT that would allow it to continue the rice ban legally.

"We have never thrown away our primary idea of security in the staple food (as a defence of

the ban on imports)," Michiru Okuma, Director of the Ministry's International Economic Affairs Division, said in a telephone interview.

Japan has told the GATT (General Agreement on Tariffs and Trade) that rules are needed to ensure adequate domestic production of basic foodstuffs, especially for food importing countries, Ministry officials said.

Such rules would effectively allow Tokyo to maintain its rice ban.

The Kyoto report on Saturday said Tokyo would call for a review of a GATT provision allowing import curbs in certain products under government control to prevent oversupply.

Japan and the European Community have already urged that this rule be strengthened, the officials said.

Such rules allow Japan to restrict imports of 13 products other than rice, including dairy products and straches, after it ends quotas on its beef and orange imports in April this year and on orange juice imports a year later.

Another report from Switzerland adds: Trade talks to shape international commerce past the year 2000 were regaining momentum after becoming deadlocked over farm subsidies in December, the head of the world trade body GATT said on Monday.

## Snippets

### US to up spending on education

WASHINGTON, Feb 5: The Bush Administration is planning to increase spending on education by 2.6 billion dollars to a total of 27.5 billion dollars for fiscal year 1992, reports Xinhua.

The budget proposal, submitted by President George Bush to the Congress this morning, emphasizes programmes that allow 'greater choice' in improving academic achievement.

### Limited effect on world economy

DAVOS(Switzerland), Feb 5: World government officials meeting here since Thursday believe that the Gulf war will have only a limited effect on the world economy, a French spokesman has said, reports AFP.

Although the war has led many regular participants to stay away from this year's World Economic Forum, held at this Swiss Alpine resort, those who did show up appeared sanguine about international economic prospects, despite the threat to oil prices and the ongoing US recession.

### 32 smugglers held in China

HONG KONG, Feb 5: Shanghai police have smashed China's biggest gold smuggling syndicate since the communists took over in 1949, a Hong Kong newspaper said on Monday, reports Reuter.

Police in Shanghai arrested 32 people and seized about 500,000 dollars in gold, the pro-Beijing Ta Kung Pao said.

It said the syndicate smuggled more than 1,000 kgs (2,200 lbs) of gold worth 25 million US dollars into China over the past two years.

### Food prices rise in USSR

MOSCOW, Feb 5: A variety of foods which vanished from the Soviet capital in recent years has reappeared in state stores at increased prices, spurring consumers to empty their pockets and cart away loads of goods, reports Reuter.

While Soviet officials hinted last week that steep food price increases were imminent as part of the country's sweeping reform toward a market economy, the cost of many goods in Moscow has already risen.

### No market for Prague products

PRAGUE, Feb