

Business

Micro economic plan in rural areas needed

Planning Adviser, Prof. Rehman Sobhan Thursday stressed the need for giving more importance on sustained micro economic planning in the rural areas for socio-economic development of the country, reports BSS.

He said it was the rural people who sustained the dynamism of agricultural production in the country through introduction of high yielding varieties of seeds.

He was speaking as the chief guest at the inaugural session of the two-day eighth national conference of Bangladesh Agricultural Economists Association (BAEA) at the Bangladesh Agricultural

Research Council (BARC) auditorium in Dhaka.

Fisheries and Livestock Adviser, Kazi Fazlur Rahman was the special guest at the function.

Prof. Sobhan said greater dynamism should be created in the agriculture sector investment as the biggest market of industrial products in rural Bangladesh.

He said insufficient attention was given in micro agricultural planning and implementation of development projects.

Referring to utilisation of resources the Planning Adviser said, "We are using our resources with mounting inefficiency and also placing the resources in non-productive investment."

He said allocations in agriculture gradually declined due to withdrawal of subsidies from agricultural inputs and we did not find alternative use of allocations in the agriculture sector.

Presided over by the President of the association, J. Alam, the inaugural session was also addressed by its General Secretary A. B. M. Shamsuddin and Chairman of the Conference Organising Committee, Dr. S. M. Ilyas.

Share trading picking up

Star Economic Report

The week ended on Thursday at Dhaka Stock Exchange (DSE) with trading further picking up both in volume and value.

Trading pattern was mixed. The advances were larger in number than the declines. But the declined issues involved more trading in value because of this higher capitalisation than the gainers.

As a result, the DSE All Share Price Index which is a broad indicator of price movements of all the listed stocks declined to 3340.0387 points compared with Wednesday's 334.8471.

Twentyseven listed stocks were traded. Of them eleven gained, nine lost and seven remained unchanged at their previous quoted prices.

In all 10,375 shares and debentures changed hands compared with Wednesday's 8,431. Trading valued taka 616672.50, compared with the previous day's Taka 491034.00.

On the gainers side Beximco Pharma, the lone traded debenture, advanced Taka 5.00 to Taka 1645.00 at closing.

Sonali Aansh, Paper Processing and Dulama Cotton gained Taka 2.00 each to Taka 72.00, Taka 108.00 and Taka 72.00 respectively.

Eastern Cables advanced Taka 1.20 to Taka 82.79.

Atlas Bangladesh, Bangladesh Autoears, Ambee Pharma, Ashraf Textile, Beximco and Chittagong Cement gained with the range between Taka 0.10 and Taka 1.00.

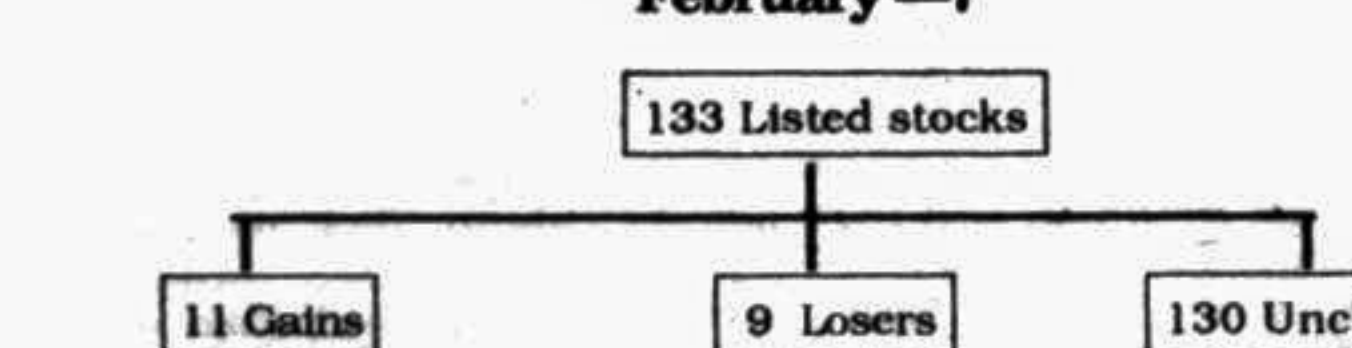
Among the decliners Pubali Bank and Rupali Bank got the major slash. They lost Taka 10.00 and Taka 5.00 to Taka 90.00 and Taka 75.00 respectively.

The 5th ICB Mutual Fund, 6th ICB Mutual fund and National Tubes declined Taka 1.63, Taka 1.19 and Taka 1.33 to Taka 115.00, Taka 85.10 and Taka 113.67. Usmania Glass, Saliham Textile, 4th ICB Mutual Fund as well as the BGIC of insurance sector lost within the range between Taka 0.03 and Taka 1.00.

Quoted Prices of Traded Stocks February 7

Stock	Qty	Price	Change
City Bank	100/5	181.00	unchanged
Pubali Bank	100/5	90.00	(-10.00)
Rupali Bank	100/10	75.00	(-5.00)
5th ICB M. Fund	100/10	133.00	(-0.50)
6th ICB M. Fund	100/10	115.00	(-1.63)
8th ICB M. Fund	100/10	85.10	(-1.19)
USDC	100/10	104.97	(+0.03)
USDF	100/10	107.00	unchanged
Engineering			
Atlas Bangladesh	10/30	37.54	(+0.54)
Bangladesh Autoears	100/5	121.00	(+1.00)
Eastern Cables	100/5	82.79	(+1.29)
National Tubes	100/10	113.67	(-1.33)
Food & Allied			
Bengal Food	100/5	175.00	unchanged
Dhaka Veg-table	100/5	100.00	unchanged
Green Sea Food	100/5	100.00	unchanged
Oron Tea	10/100	7.00	unchanged
Pharma & Chem			
Sonali Aansh	100/5	72.00	(+2.00)
Ambee Pharma	10/30	14.00	(+0.50)
Paper & Printing			
Paper Processing	100/10	108.00	(+2.00)
Textile			
Ashraf Textile	10/30	27.50	(+0.49)
Dulama Cotton	100/10	72.00	(+2.00)
Saliham Textile	100/10	86.00	(-1.00)
Taluk Spinning	100/10	101.00	unchanged
Insurance			
BGIC	10/100	8.60	(+0.10)
Chittagong Cement	100/5	132.94	(+0.94)
Usmania Glass	100/5	140.00	(-1.00)
Debenture			
Beximco Pharma	1714/1	1645.00	(+5.00)

Dhaka Stock Exchange Market Profile February -7



* 113 unchanged stocks include seven traded on the day at the previous day's quoted prices.

DSE All Share Price Index = 334.0387

Issued Capital-Taka 4,602,377, 190.00

Market Capitalisation-Taka Not Available

Turnover = Taka 616,672.50 (Value) 10375 (Volume).

Dhaka-Delhi small units cooperation to grow

A UNIDO project for promoting enterprise to enterprise cooperation between small and medium industries of Bangladesh and India launched Wednesday at a meeting presided over by the Secretary, Ministry of Industries Shafiqul Alam, reports UNB.

The purpose of the project is to assist the small and medium enterprises in modernisation of technology through cooperation with corresponding Indian enterprises primarily in the engineering sector.

The counterpart organisation of UNIDO in Bangladesh for this project will be BITAC and on the Indian side the Confederation of Engineering Industry in India.

Bangladeshi enterprises intending to make use of this services provided under this project have been advised to contact Md. Ghulam Kabir, Chief of Operations, BITAC, Tejgaon Industries Area, Dhaka.

Representatives from various public and private sector organisations including Board of Investment, Bangladesh Steel Engineering Corporation, Bangladesh Industrial Technical Assistance Centre (BITAC), Federation of Chambers of Commerce and Industry and some financial institutions participated in the meeting.

Progress of ongoing schemes satisfactory : LGEB Donors likely to fund 6 more RD projects

Star Economic Report

Asian Development Bank (ADB) is likely to fund a Taka 385 crore rural infrastructure development project in greater districts of Khulna, Jessore, Kushtia and the new district of Rajbari.

Feasibility study of the project is expected to be carried out soon. The process of appointment of consultants is in progress, Local Government Ministry sources say. With seven-year duration, the construction phase of the project is likely to begin in 1993.

The project components include construction of rural and feeder roads, bridges, culverts, drains, retaining walls, construction of rural markets and their repair and maintenance. Most rural development projects have identical components.

Another project in Tangail has been initiated with assistance from Germany. The project proforma has been prepared and submitted before the Planning Commission. With an estimated value of Tk 279 crore, the project is likely to

be completed by 1993. GTZ was funding an identical project in the same district with lesser intensity earlier.

SIDA and NORAD have agreed to finance an institutional support project which will spread over Bangladesh at an estimated cost of Tk 24.45 crore. With a duration of two years initially, the project is at its final stage and awaiting approval of the Planning Commission. It is aimed at strengthening the institutional base of the infrastructure components.

International Development Agency (IDA) expressed its willingness to fund the national municipal development project to be implemented in 20 selected municipalities at an estimated cost of Tk 190 crore. But there has been little progress on this project.

Another rural development project for Munshiganj has been initiated at an estimated cost of Tk 29.71 crore. Project Evaluation Committee (PEC) has approved the preliminary project proforma but further

progress has not taken place.

Meanwhile 15 other rural development, flood rehabilitation, slum improvement projects are in progress throughout the country at an estimated cost of Tk 1551.42 crore. The donors have apparently divided their technical assistance to be evenly distributed in the districts. Progress of each year's target was reported to be satisfactory.

The ongoing projects include, among others, a major infrastructure development project in greater Sylhet district funded by Islamic Development Bank at an estimated cost of Taka 63 crore.

Switzerland is funding another development project in Manikganj at an estimated cost of Tk 21.79 crore. IDA, KFW and SDC are assisting rural roads and market improvement and maintenance project in old districts of Rajshahi, Pabna and Bogra with a total project cost of Tk 287 crore. Rangpur project is getting EEC assistance.

The greater Kushtia is get

ting UNICEF assistance with a total project cost of Tk 15.55 crore. ADB is also financing infrastructure development in Dinajpur and Jamalpur. IDA third rehabilitation project in north-west and south-western parts of Bangladesh is in good progress.

ADB-assisted flood rehabilitation project in northeast and south-east areas of Bangladesh is also progressing well. UNICEF is aiding second phase of slum improvement project in 16 pourashavas and four municipal corporations. UNDP and ILO are funding the technical assistance on improvement of planning and implementation capability of the upazila infrastructure programme.

SIDA and NORAD is funding second phase of the rural development project in greater Faridpur and new Kurigram district. The project cost is Taka 74.56 crore. DANIDA is financing another new project for greater Barisal and Pataukhali district. CIDA is aiding yet another infrastructural development small-scale water resources project in Natore, Rajshahi, Kishoreganj, Netrokona and Sunamganj. Model rural development project in Iloma and Daudkandi upazilas is getting Japanese aid. Technical assistance for the north-west rural development project is being funded by ADB grant.

Meanwhile the Government has cleared the Secondary Town Infrastructure Development Project to be implemented in 10 municipalities of the country. ADB will assist the project. The total project cost is approximately Tk 186 crore.

The projects, being implemented by the Local Government Engineering Bureau (LGEB) of the Local Government Division. Despite constraints, the donors expressed their satisfaction at the rate of progress of the projects. LGEB sources claim 80 to 90 per cent of the targeted work on the ongoing and new projects have been completed in 1990, the source said.

BTC pays 10 p.c. of total tax

Star Economic Report

Bangladesh Tobacco Company (BTC), the largest operating multinational in the country, said on Thursday that its contributions to the public exchequer amounted to 10 per cent of government total tax receipts in 1989/90. This amount excluded contributions by other cigarette companies and bidi manufacturers.

BTC said in a press release that the amount of its contributions was equivalent to 51 per cent of government current expenditure on education or 152 per cent of government current expenditure on health.

Government revenue from BTC alone in 1989/90 was equivalent to 64 per cent of total revenue from personal and corporate income tax, it said.

In addition to the amount paid to government, a further Taka 123 crore was spent on trade margins, employees' wages and payments for tobacco purchased in Bangladesh thus wholly or partly supporting over 100,000 cigarette retailers, over 3,000 BTC employees and over 25,000 farmers.

Refuting the contention made by National Professor Nurul Islam at a recent seminar at Cox's Bazar about "wasteful expenditure" of money by consumers on smoking, the BTC said, assumption that the money spent on smoking is wasted is clearly incorrect. The great majority of the money spent by smokers is paid to the government in tax. Without that revenue, the government would either have to cut back drastically on its expenditure on services such as education or, possibly, double income tax rates. Of the remainder, a very considerable proportion goes as income to the 128,000 people who depend wholly or partially on BTC to support themselves and their families.

The company said, out of Tk 738 crore spent on BTC products by consumers in 1990, Tk 527 crore was paid to the government in excise duty and other duties and taxes. Thus 71% of the retail value of cigarettes is paid to the government.

Snippets

\$ 11.5m sales in Myanmar emporium

RANGOON, Feb 7: A total of 11.5 million US Dollars was realised from the sale of gems, jade, pearls and jewellery and jade carvings at the 28th Myanmar Gems Emporium which ended here early this week, reports Xinhua.

According to a local newspaper Wednesday, 489 gem merchants of 290 companies from 18 countries and regions attended the emporium and made purchases through competitive bidding.

Myanmar has held 28 emporiums of this kind since 1964 and realised a total of over 151 million US Dollars.

Thousands unemployed in USSR

MOSCOW, Feb 7: Tens of thousands of workers have been laid off or put on short time in the Southern Soviet Republics of Georgia and Armenia because of power shortages, the media said here Wednesday, reports AFP.

In Armenia, the two operating thermal power stations at Yerevan Adnrazdan hardly generate enough heating for homes, schools and hospitals and many school children have been sent home.

More than 60,000 workers in light industry have been laid off for at least two months because of fuel shortages. Their wages have been cut by a third.

Oil workers on strike in Brazil

RIO DE JANEIRO, Feb 7: Oil refinery workers walked off their jobs Wednesday for higher pay, but a planned nationwide strike apparently did not come off, union and oil company officials said, reports AP.

Refinery workers in Campinas, 335 miles (540 kilometers) west of Rio, met at the plant's gates Wednesday and voted to stay out, said Marcos Rodrigues Alves, a spokesman for the strike command at the refinery.

Brazil produces nearly 60 per cent of the 1.1 million barrels of oil it consumes daily and processes the crude at 11 refineries.

US Coca Cola to buy GDR company

DAVOS (Switzerland), Feb 7: The US soft drinks group Coca Cola is to purchase major bottling and distribution facilities in the former East Germany, pushing its total investments in the region to 450 million Dollars, the company's President said here, reports AP.

Donald Keough told participants at the Annual World Economic Forum in this Swiss mountain resort that the Company had signed a purchase agreement with the Treubhandanstalt, the body responsible for selling off the former state-run companies of East Germany.

War cost of US family

WASHINGTON, Feb 7: The Gulf War will cost the average American family of four at least 2,624 Dollars and may be as much as 4,288 Dollars, the consumer group Public Citizen said Wednesday, reports AP.

In a study by Princeton University economist James P. Love, the organisation estimated the total cost of the US war effort, including the cost of economic sanctions that continue in effect, at 164 billion to 268 billion Dollars.

Most of the cost would be incurred by the end of 1991, but some would stretch over a period of several years, Public Citizen said.

Iran sets new petrol prices

NICOSIA, Feb 7: Iran on Wednesday set new petrol prices and lifted the last restrictions on petrol sales imposed at the start of the Iran-Iraq war in 1980, reports Reuters.

Tehran Radio quoted Oil Minister Gholam Reza Azadegan as saying motorists could now buy regular and premium petrol at 50 and 70 Rials (about four and six cents at the open market exchange rate) per litre, respectively, with no restriction.

The decision abolishes a two-price system in force since 1986, when motorists were allowed to buy unlimited amounts of regular petrol at 60 Rials (about five cents) per litre in addition to limited rations sold at half that price.

\$6 lakh ADB grant for Indonesia

MANILA, Feb 7: The Asian Development Bank (ADB) approved a 600,000-Dollar technical assistance grant to Indonesia to update the Agriculture Ministry's financial information systems, the Manila-based Bank said Wednesday, reports AFP.

The assistance will be financed on a grant basis from the Japan Special Fund administered by the ADB, a bank statement said.

\$18b Saudi deficit in 6 months likely

RIYADH, Feb 7: While Saudi Arabia's private economy is booming, costs from Operation Desert Storm mount, and may cause the Kingdom's first-quarter deficit to surpass all of 1990's, economists say, reports AP.

Revenues, mostly from oil, for the first quarter of 1991 are not expected to exceed 12 billion dollars, while spending could reach 30 billion dollars, Western economists said Wednesday.

The announced deficit for all of 1990 was 16 billion dollars on revenues of 50 billion dollars.

First-quarter spending could be swiftly driven up by Saudi commitments to US military efforts, aid promises to nearby nations harmed by the conflict, and the clean-up bill for the Gulf oil spill created by Iraq, Western economists said Wednesday.

"We're talking about an exercise that is typically a budget buster. The enormous expenditures were not anticipated," said a Western diplomat who specialises in the Saudi economy.

Most Western and Saudi sources refused to comment except anonymously because the deficit is a highly sensitive issue.

No one suggests that Saudi Arabia cannot ultimately absorb the costs. But the anticipated shortfall could force the Saudis into the international market for borrowing, or mean introducing taxes at home for the first time.

"The scale (of the deficit) will depend on the timing of the disbursements," said Andrew Cunningham, an analyst with the respected weekly Middle East Economic Survey.

Rich nations worried about survival in textile sector

GENEVA, Feb 7: The textile trade may have to move outside the bounds of stalled world trade talks as an interim measure to ensure harmony, the head of the General Agreement on Tariffs and Trade (GATT) said on Wednesday, reports Reuters.

The sector is crucial to many developing countries which say present regulations unfairly exclude their textile and clothing exports. For their part, large industries in rich nations are worried about their survival.

Call money market

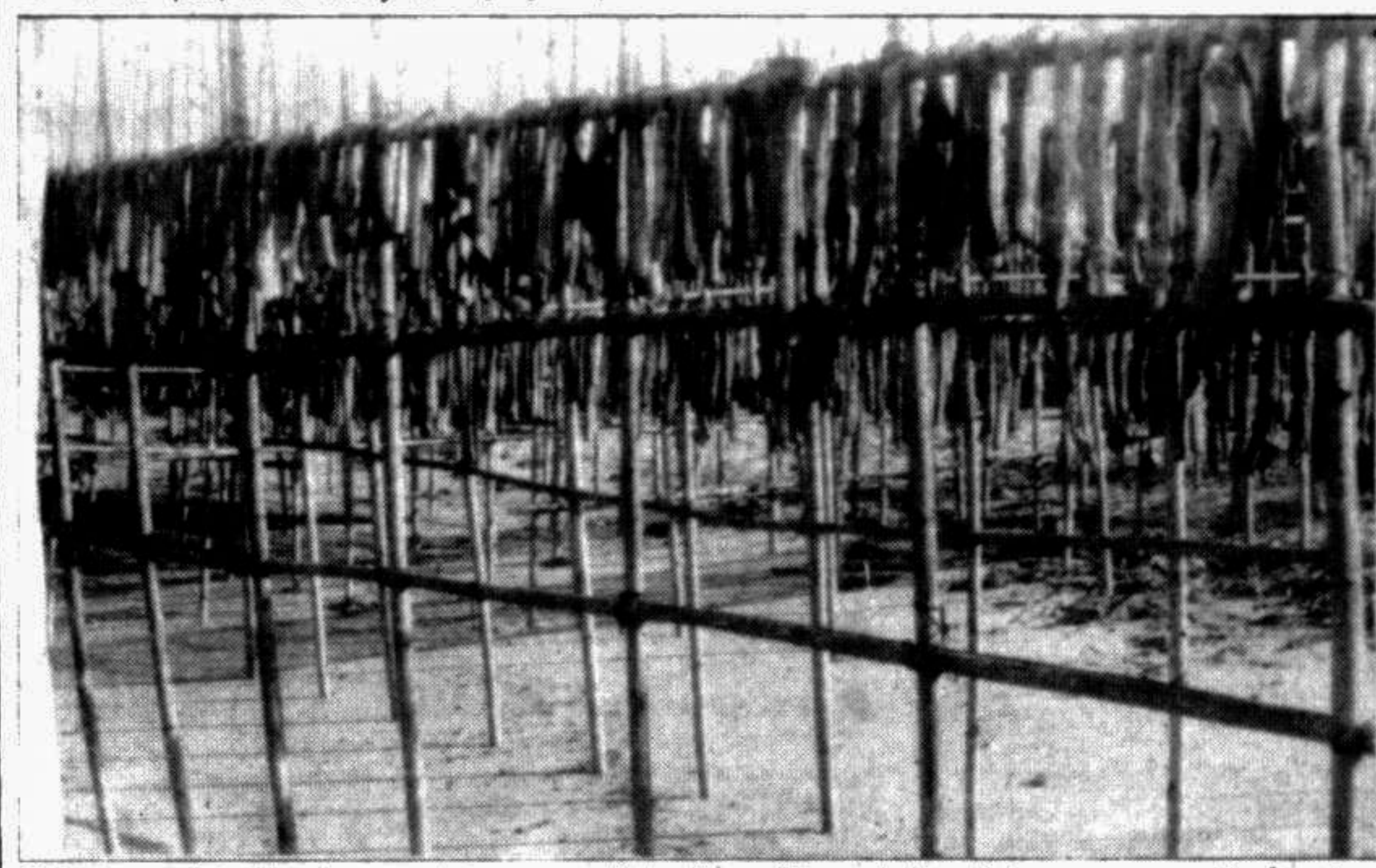
Star Economic Report

Money rates in the Call money market during the week ending on February 6 ranged from 10 to 12 per cent.

During the same week interest rates offered by the banks on certificate of deposits varied from 10.25% to 13.75%, according to a Bangladesh Bank press release.

The bank rate, however, remained unchanged at 9.75 per cent.

Exchange Rates February 7		
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	71.4932	70.6668
German Deutsche	24.6552	24.3095
Mark		
French Franc	7.2388	7.1379
Saudi Riyal	9.6101	9.4819
Dutch Guilder	21.8640	21.5591
Pakistan Rupee	1.6160	1.6006
(AMU)*		
Singapore Dollar	20.9718	20.6919
UAE Dirham	9.8141	9.6831
Kuwait Dinar	Not available	
Indian Rupee (AMU)	9.9297	1.9111
S. Kroner	6.5720	6.4754
*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	72.65	72.70
Sterling		
* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market		
Source: Sonali Bank		



Fish being dried in the sea-shore areas of the Bay of Bengal. Dry-fish is a source of valuable foreign exchange earnings. —Star Photo

Faulty pumps hit agri production

By Inam Ahmed

Low quality irrigation equipment is hampering country's agricultural productivity, Agriculture Development Corporation sources said.

Irrigation experts said, most power pumps and engines, selling in the open market are below capacity.

Faulty pumps with high system loss are causing the farmers to pay more for diesel. This raises agricultural production cost. The farmers are hit most because farm output prices remain the same.

Sources said there is no quality control system to ensure the availability of standard equipment.

Bangladesh Agriculture Development Corporation (BADC) was earlier the sole distributor of irrigation equipment. It used to test the equipment on sample basis through Bangladesh University of Engineering and Technology (BUET). Any equipment found below standard were rejected.

It also monitored use of irrigation supplies for water management. BADC sources claimed.

Presently, there is no authority to test equipment. Equipment being sold through BADC are only tested. Sources said most irrigation equipment are sold by private traders. Sales by BADC cover less than half of the total quantity.

BADC sales prices for irrigation equipment are, however, higher than those in the open market.

The Corporation's sale price for a shallow pump set with the capacity of delivering three-fourth of a cubic foot of water in a second varies between Taka 13 thousand and 14 thousand. But the same capacity pumps can be bought for less than Taka 10 thousand in the open market.

BADC sources explained this price difference in terms of quality.

Experts pointed out over exploitation of water resources and under utilisation of irrigation equipment have been going on unabated. They stated that there is no national irrigation policy. They suggested setting up a body to monitor the quality of irrigation equipment supplies and to enforce the national irrigation policy.

Sources also stated that farmers with their lands already under coverage of a deep tubewell sometimes install private shallow pumps. This impedes efforts for full utilisation of installed irrigation equipment.

Overexploitation of water resources cause sharp fall in water level. This in turn affects trees and agriculture, experts noted. They pointed out that the hard-hit areas due to over-exploitation of available water resources are Jaydevpur, Kallakair, Sripur, Madhupur, Phulbaria of Mymensingh and Borenda Bhumil.

Asian nations worry Talks to create free-trade zone in North America

KUALA LUMPUR, Feb 7: Asian nations have reacted cautiously to news the United States, Canada and Mexico will begin talks to create a North American Free-Trade Zone, fearing such a zone could discriminate against outsiders rather than pave the way for freer trade, officials said, reports Reuters.

Asian Nations worry that the Pact could curb exports to the United States, a major market for many of Asia's primary and manufactured products.

"We have to stay vigilant on the plan lest such a free trade zone becomes a trade fortress by creating barriers to outside countries," said a senior official at Japan's Ministry of International Trade and Industry (MITI) in Tokyo.

"Otherwise, it is a good idea as it lowers or abolishes all obstacles to free trade among participating countries," he said.

Announcing the talks on Tuesday, President George Bush said the aim was to build an economic super-bloc in the Western hemisphere that could compete with Europe and Asia.

Bush noted that formation of a North American Free-Trade Zone would create an economic unit of 360 million people and an annual output of more than six trillion dollars.

Malaysia's Minister for International Trade and Industry Rafidah Aziz said, "I don't think we should worry as long as they can convince us it is GATT-consistent."

However, she slammed Washington for trying to undermine a similar Asian effort.

EC sees no threat from US plan

Another report from Brussels said: The European Community sees no direct threat from a United States plan to create the world's biggest trading bloc with Mexico and Canada, an EC spokesman said on Wednesday.

The three countries, with a combined population of 360 million, said on Tuesday they would pursue a three-way pact to set up a North American Free-Trade Zone.

"As long as such regionalism does not go against the GATT process, there should be no problem," the EC spokesman told a news briefing