

# 'Hundi' dominates overseas remittances

Star Economic Report

Bangladeshi expatriates abroad feel discouraged to send money through wage earners scheme as premiums received by their nominees are 8 to 10 per cent less than the rates under 'hundi' system.

During post-independence period, Bangladeshis used to earn the same rate of premium as that of hundi, through auction (DPL), trade circle says.

'Hundi' is an illegal way to send money home through unconventional agencies. The racket is mainly dominated by Pakistanis and Indian 'marwaris' who took the responsibility of reaching the expatriates' money to their relatives at home in local currency. They offer attractive rates and premiums to the tune of 10 per cent more than the wage earners rate offered by the Bangladesh banks. In this way, country loses a huge amount of remittances from abroad.

Available statistics say nearly seven lakh people went to Middle Eastern countries during the last 12 years. Due to Gulf crisis, many Bangladeshis came back. But there are still three lakh Bangladeshis mostly from greater Sylhet, Chittagong, Noakhali and Dhaka districts are still living in the Middle East.

In United Kingdom, out of an estimated two lakh, the largest concentration of Bangladeshis are from Sylhet while in USA and Canada number of Bangladeshis is 50,000 most of whom hail from greater Sylhet.

A recent report prepared by A. S. Mahmud, immediate past President of Dhaka Chamber of

1. Government should introduce exchange rate with high premiums for remittances sent through institutional channel. The Philippines offers 25 per cent premiums on remittances sent through official channels. The previous auction rate for remittance flows could be introduced as an alternative.

2. At present, only Sonali Bank sends remittances of the Bangladeshis through Sonali Bank. If more banks are given the same responsibilities, there will be competition among the banks to attract the expatriates' remittances.

3. Where there are no bank branches, Post Office may take the responsibility of sending money with no limit now fixed on the post offices.

4. The service charges of the banks for remittance handling should be reduced if not waived totally.

5. Bangladesh's money market is now controlled by Bangladesh Bank. The expatriates will be encouraged to send remittances if the market is open and the spread between the official and wage earners exchange rates be higher.

6. Agents or representatives of the banks should be employed to mobilise funds of the overseas Bangladeshis. Such agents can be recruited from private sector.

Commerce and Industry (DCCI) said that an integrated programme of actions should be taken up to increase the remittance flow to Bangladesh.

The suggestions put forward by Mr. Mahmud include:

7. Strict vigilance should be maintained over hundi operators. Higher rate of interest should be given on the fixed deposits of the overseas Bangladeshis with the local banks.

8. The expatriates should be given all opportunities to invest their earnings in industries including disinvested units housing and capital market.

9. Separate cell in the Board of Investment (BOI) should be set up for the overseas Bangladeshis facilitating them to invest in the industrial sector.

10. Those who send maximum remittances should be given the status of Commercially Important Persons (CIPs).

11. A proposal for setting up of a separate bank by the overseas Bangladeshis

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12. The expatriate Bangladeshis, living abroad right from their birth, should be given the opportunities of visiting their motherland by national airlines with tickets at concessional rates.

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Aspirants for Kuwait visas seen thronging the Embassy of Kuwait in Dhaka on Thursday. After liberation, Kuwait needs huge reconstruction works to be done by expatriate workers.

## IFIC credit scheme

The International Finance, Investment and Commerce Bank Limited (IFIC) has finalised a credit scheme for the Bangladeshis nationals intending to go abroad for wage earning through official channel, reports BSS.

According to the scheme, the IFIC Bank would provide financing of the passage money to the intending Bangladeshis nationals on easy terms payable out of their remittances, a bank press release said in Dhaka on Wednesday.

About 40,000 Bangladeshis nationals are working in the Sultanate of Oman and most of them send their remittances in Bangladesh through the exchange company established at the initiative of IFIC Bank. Since its inception in 1985, the company has been catering to the requirement of the home bound remittances of Bangladeshis nationals and in 1990 alone, the amount stood at equivalent to Taka 60.24 crore creating a positive impact on Bangladesh economy.

Annual general meeting of Oman-Bangladesh Exchange Co (LLC), a joint venture of IFIC Bank Ltd was held at IFIC Bank head office, Dhaka on Wednesday.

Warith Kharusi, Chairman, Oman-Bangladesh Exchange Co presided over the meeting. The meeting was attended, among others, by Habib Nabi Macki, Director of Oman-Bangladesh Exchange Co, Syed Mohsen Ali, Director, IFIC Bank Ltd and M. Fazlur Rahman, Managing Director of IFIC Bank Ltd.

## Snippets

### Conable to retire as WB chief June 30

WASHINGTON, Mar 7: The World Bank announced Wednesday that its President, Barber Conable, would be standing down June 30 when his current five-year term of office expires, reports AFP. A former member of the US House of Representatives, Mr Conable, 68, was appointed to the World Bank post by then US President Ronald Reagan. Traditionally the United States is the largest shareholder in the Bank appoints the international institution's President.

### Asia-Pacific economic meet held

Pyeongang, Mar 7: The third ministerial working conference on economic and trade cooperation of Asia and Pacific region was held in Cheju Island, South Korea, reports Xinhua. The meeting is for making preparations for the third ministerial conference on economic and trade cooperation of the region to be held in October. Representatives from 17 countries of the region attended the conference.

### Pakistan to import gas from Qatar

ISLAMABAD, Mar 7: Pakistan will import an unlimited quantity of gas from Qatar through a pipeline to be completed within four years. Minister for Petroleum and Natural Resources Chaudhury Nisar Ali Khan was quoted as saying on Wednesday, reports AFP. Press reports quoted Mr Nisar as saying that "preliminary talks in this regard had been completed" and the gas would be available at "a cheaper price" to meet "the country's requirements".

### Iran calls for World oil confce

TEHRAN, Mar 7: Iran has invited the world's oil producers and oil consumers to a conference in May to discuss the future of the oil market after the Gulf crisis, Iranian Oil Minister Golmoeza Aghazadeh said Wednesday, reports AFP.

### OPEC output rises slightly

PARIS, Mar 7: Oil production by the Organisation of Petroleum Exporting Countries (OPEC) rose to 23 million barrels per day during February, to show an increase of 100,000 barrels per day compared with the level in January, the International Energy Agency (IEA) said here on Wednesday, reports AFP.

### Iraq assessing war damages

LONDON, Mar 7: Iraq has begun restoring its petroleum industry and the Oil Ministry has begun assessing and repairing war damage to the country's facilities, Baghdad Radio monitored by the BBC reported Wednesday, reports AFP.

### Australia to help India to up coal output

CALCUTTA, Mar 7: A number of Australian companies are actively exploring commercial opportunities in the Indian coal sector involving supply of Australian technology and expertise, to increase the country's coal productivity, reports PTI.

### Property tax in Nepal approved

KATHMANDU, Mar 7: King Birendra of Nepal has approved a controversial property tax hitting the wealthy following lengthy debate, state radio said Wednesday, reports AFP.

### New Philippine oil finds promising

MANILA, Mar 7: The recent discovery of a new offshore Philippine oil field has boosted hopes of substantially greater domestic production, but it will remain far below total requirements, an energy official said Wednesday, reports AFP.

### Philippines supports Malaysian plan

TOKYO, Mar 7: Philippine Finance Secretary Jesus Estanislao voiced support Wednesday for a Malaysian proposal to form a regional economic grouping to counter the emergence of trade blocs in Europe and North America, reports AFP. "We are very much in support of the principle which gave rise to the Malaysian proposal," Mr Estanislao told a news conference here.

## Moderate rise in share transaction

Star Economic Report

Transactions on Thursday at Dhaka bourse witnessed a moderate rise in volume terms. In value terms, trade declined slightly.

The issues having lower face value were mostly traded and most-traded shares advanced in prices.

The upbeat trend witnessed at Dhaka Stock Exchange (DSE) from the beginning of the week continued up to its closing day. The rising trend in stock prices and thus dominated trading.

DSE All Share Price Index, which is the broad indicator of price movements of all the listed stocks moved up to 357.5548 points compared with Wednesday's 354.0957. It was 344.5764 on Saturday, at the beginning of the week.

Fortyfour stocks were traded. Of them forty three advanced and only one lost in prices.

In all 23347 shares and debentures changed hands compared with Wednesday's 21496. Traded issues valued Taka 1097785.00. It was Taka 1435753.00 on the previous day.

Among the gainers Bengal Food and 1st ICB Mutual Fund advanced most. They moved up Taka 23.87 and Taka 25.00 to Taka 215.29 and Taka 430.00 respectively at closing.

Metalex Corp and 2nd ICB Mutual Fund advanced Taka 15.00 each to Taka 90.00 and Taka 190.00.

## Strike halts production at 28 coal mines in Siberia

MOSCOW, Mar 7: Strike action has totally or partially halted production at 28 coal mines in the Kuzbass region of western Siberia, the trade union daily newspaper Rabuchaya Tribuna reported on Wednesday, reports AFP.

The paper said that activity had been halted totally at 18 mines, while output at 10 others had been partially affected. There are more than 100 mines in the area.

Strikes have also broken out in the Donbass mining area of the Ukraine where six of its 11 mines have been affected by strike action in support of demands for pay increase of between 100 per cent and 150 per cent, the Izvestia newspaper reported on Tuesday.

## 4 Asian states have potential as new frontier

TOKYO, Mar 7: Area encompassing Japan, China, the Soviet Union and the Korean peninsula has the greatest potential among the new frontiers now emerging in East Asia, a Nomura Research Institute Ltd report said, reports AFP.

Kwan Chi Hung a senior economist at the affiliate of Japan's biggest securities firm, said in the latest issue of the Nomura Investment Review that southern China has so far taken the lead "among emerging zones."

## GATT panel to probe subsidy code violation by Germany

GENEVA, Mar 7: The GATT world trade body has decided to set up a dispute panel to rule on a US complaint that German subsidies for the Airbus aircraft violate free trade rules, a spokeswoman for the GATT said on Wednesday, reports Reuters.

The subsidies committee of the General Agreement on Tariffs and Trade (GATT) agreed on Tuesday to the US request despite the European Community's argument that it should be handled by GATT's civil aircraft committee.

The EC said it would go along with the decision. "We would have preferred the panel to take place under the civil aircraft code...The United

States thought differently, an EC spokesman said.

U.S. officials are opposed to all subsidies to the four nation Airbus industries consortium but have focused on a German exchange rate insurance programme.

They say that since January 1990 the German government has distributed more than 390 million Marks (252 million Dollars) under its exchange rate guarantees. The subsidies amount to about 2.5 million Dollars on each Airbus delivered in 1990.

The subsidies committee has not decided on the panel's mandate or who will sit on it. The EC said the civil aircraft code makes special allowances

in the trade in airliners.

The United States offered to discuss a mandate with the EC for the next seven to 10 days. But it said if they could not agree on one, the panel would be set up under the civil aircraft code.

The civil aircraft code recognizes the validity of the subsidies code but takes into account special factors such as widespread government support in the area and the desire of all to participate in the expansion of the airline market.

The EC also argues that the German programme in not strictly related to export subsidies since it applies to all Airbus aircraft, including those

sold in Germany.

But the subsidies code also bans aid that hurts other signatories by displacing their exports to the market of the subsidizing country.

The United States is trying to protect the interests of Boeing Co and McDonnell Douglas Corp.

EC officials said the market was growing so fast that Boeing could not meet demand and its interests were not damaged.

The German exchange rate guarantee was part of a comprehensive plan by the German government to facilitate the merger of messerschmitt bocklow blihom into daimler berz ag.

## Production of non-agricultural sectors declines in US

WASHINGTON, Mar 7: US productivity for non-agricultural sectors fell 0.8 per cent in 1990, the biggest drop since the 1982 recession, the Labour Department announced Wednesday, reports AFP.

It is also the first time in six years that a decline was registered in two consecutive years, according to the department in 1989, productivity dropped 0.7 per cent.

Productivity is defined as amount of production per labour hour. Increased productivity is

considered essential for raising the standard of living in a country without accelerated inflation and often translates into better performance on export markets.

Labour Department figures also show that US businesses have cut back on the number of hours their employees work by 2.8 per cent annually, the biggest reduction since the 1981-82 recession.

Declines during two consecutive quarters are not surprising during a period of recession, when many compa-

nies cut back on their work force to reduce subsidies, the Commerce Department reported that during the last three months of 1990, the Gross National Product fell 2 per cent.

While there was a substantial decline in productivity throughout the year, and a 1.8 per cent drop in the first quarter, the 0.3 per cent gain during the last three months of 1990 suggests an improvement at the year's end, according to some analysts.

## Pak oil exploration contract signed

ISLAMABAD, Mar 7: An agreement on oil exploration was signed here on Wednesday by the Pakistani Oil and Gas Development Corporation (OGDC) and Tuskar, a new company of Ireland, reports Xinhua.

An official report said here today that the agreement is part of the Pakistani government's measures to step up its petroleum exploration efforts to make the country self-sufficient in oil and to combat the new challenge in the energy sector.

According to earlier reports, Pakistan can produce 60,000 barrels of oil a day

## Call money market

Star Economic Report

Interest rates in the call money market during the week ending on March 6 1991 ranged from 10.00 percent to 12.25 percent. During the same week, interest rates offered by the banks on certificate of deposits varied from 10.00 percent to 13.75 percent. The bank rate, however, remained unchanged at 9.75 percent.

## Exchange Rates

One Unit of Foreign Currencies (FC) for Taka	Selling	Buying
US Dollar	67.9098	67.1142
UK Pound Sterling	67.9098	67.1142
German Deutsche	23.2961	22.9703
Mark	6.8372	6.7421
French Franc	9.6101	9.4819
Swiss Franc	20.6450	20.3979
Dutch Guilder	1.6160	1.6006
Pakistan Rupee (AMU*)	30.7345	30.4578
Singapore Dollar	6.3116	6.2219
US Dollar (AMU*)	Not available	Not available
Indian Rupee	1.8843	1.8662
AMU	6.2846	6.1933

\*AMU: Asian Monetary Unit  
 \*\*Secondary Exchange Market  
 Wap Barrow Fund/ Export Performance Benefit (EPB) Fund

US Dollar	Buying	Selling
US Dollar	36.48	36.53
UK Pound	69.27	69.32
Sterling	Not available	Not available

\*The rates of Pound Sterling are decided every day, based on the close rate of New York market Source: Sonali Bank

## Quoted Prices of Traded Stocks

Stock	FV/ML	Closing (Taka)	Changes (Taka)
<b>Banks</b>			
National Bank	100/5	120.00	(+5.00)
Rupali Bank	100/10	105.00	(+4.33)
<b>Investment</b>			
1st ICB M. Fund	100/5	430.00	(+25.00)
2nd ICB M. Fund	100/5	190.00	(+15.00)
3rd ICB M. Fund	100/5	160.00	(+3.00)
4th ICB M. Fund	100/10	182.00	(+2.11)
5th ICB M. Fund	100/10	130.00	(+1.57)
6th ICB M. Fund	100/10	99.33	(+5.33)
<b>Insurance</b>			
BOIC	100/10	115.00	(+3.03)
Green Delta	100/10	113.36	(+2.36)
Peoples	100/10	113.00	(+3.00)
United	100/10	120.00	(+4.77)
<b>Engineering</b>			
Atlas Automobiles	100/5	219.00	(+6.50)
Atlas Bangladesh	10/95	41.00	(+1.00)
Asia Pipes	100/5	227.00	(+2.00)
Bangladesh Autocars	100/5	115.00	(+1.50)
B. That Aluminium	100/10	99.54	(+6.54)
Eastern Cables	100/5	100.97	(+0.87)
Karim Pipes	100/5	124.75	(+5.53)
Metalex Corp.	100/5	90.00	(+15.00)
Quasem Drycells	10/50	9.10	(+0.35)
Renwick Japrawar	100/5	71.17	(+1.67)
<b>Food &amp; Allied</b>			
Bengal Food	100/5	315.29	(+23.87)
Cop. Vegetable	100/10	105.00	(+3.00)
Progress Report	10/80	5.65	(+1.65)
Zeal Bangla Sugar	10/80	9.30	(+0.55)
<b>Fuel &amp; Power</b>			
Padma Oil Co	10/50	45.00	(+3.00)
Open	10/50	68.10	(+1.55)
<b>Jute</b>			
Sonali Aash	100/5	85.00	(+0.48)
<b>Pharma &amp; Chem</b>			
Business Pharma	100/5	176.00	(+6.00)
Kalinoor Chemical	100/5	83.57	(3.44)
Pharma Aids	100/5	165.00	(+7.00)
Progressive Plastic	100/5	53.48	(+3.48)
<b>Paper &amp; Printing</b>			
Monopol Paper	100/5	125.00	(+9.00)
<b>Textile</b>			
Ashraf Textile	10/50	32.19	(+0.19)
Dalmeida Cotton	100/10	98.75	(+13.75)
Modern Dyeing	100/5	44.00	(+4.00)
Quasem Silk	10/100	7.25	(+0.25)
Tallu Spinning	100/10	115.17	(+3.44)
<b>Miscellaneous</b>			
Apex Tannery	100/5	150.00	(+6.00)
Business	10/100	10.08	(+0.58)
Chittagong Cement	100/5	165.00	(+0.26)
G.Q. Ball Pen	10/50	90.21	(+2.21)
Monon Cement	100/5	150.75	(+10.75)

## Dhaka Stock Exchange Market Profile

March - 7

134 Listed stocks

43 Gains      1 Losers      90 Unchanged

DSE All Share Price Index = 357.5548  
 Issued Capital-Taka 44,620,377,190.00  
 Market Capitalisation-Taka 10,217,221,920.00  
 Turnover = Taka 10,97,785.00 (Value) 23,347 (Volume).



A tourist group from Japan is seen with M.A. Ashraf, Director (Sales and Marketing) of Dhaka Sheraton during their stay in the hotel.



Board of Directors Meeting of Oman-Bangladesh Exchange Co (LLC) was held on March 6 at IFIC Bank, Head Office, Dhaka. Chairman of the Board W.M.S. Kharusi and Directors Habib A. Macki, and Syed Mohsen Ali and Managing Director IFIC Bank M. Fazlur Rahman were present.

## Bangladesh Bank affairs

Star Economic Report

Notes in circulation, in the economy stood at Taka, 3486.11 crores on February 14, according to a Bangladesh Bank press release.

Approved foreign exchange holdings of the Bank totalled Taka 200 crores while gold coin and bullion at Taka 74.51 crores on the same day.

The statement of affairs of the central bank, as on February 14, showed that its balances held outside Bangladesh stood at Taka 2520.35 crores.

Government treasury bills, purchased and discounted by Bangladesh Bank, amounted to Taka 499.39 crores. The Bank's holdings of the government securities on February 14 stood at Taka 525.81 crore.

Holdings of internal bills and other commercial papers amounted to Taka 2669.08 crores.

Investments of the bank, shown as assets, were Taka 553.344 crores the amount of other loans and advances was Taka 1637.82 crore while other assets Taka 1366.43 crores.