

Pak currency depreciation to add debt burden

KARACHI, Mar 14: Pakistan is allowing the Rupee to depreciate steadily in a bid to boost exports and ease its balance of payments deficit in the wake of the Gulf war, analysts here say, reports AFP.

The Rupee, whose float is managed through links to a basket of international currencies, slipped 10 paisa Wednesday to a spot parity of 22.42 Rupees to the Dollar.

The Rupee has fallen 3.2 per cent from 21.72 Rupees to the Dollar since Iraq's invasion of Kuwait on August 2, including a 2.2 per cent drop from 21.94 Rupees since January 15.

Some local businessmen have objected to the downside, warning that depreciation was adding to the country's debt burden, making raw materials and machinery imports costlier and fuelling inflation.

But dealers said the Pakistani currency was likely to fall even lower in the next few weeks and might stabilise at around Rupees 23 to a Dollar unless the country's balance of payments improves.

Week ends with thin transactions

Star Economic Report

The week ended on Thursday with transactions getting thinner. Dhaka bourse, but he downturn in stock prices was halted. The Price Index moved up slightly.

In all 3060 shares changed hands compared with Wednesday's 8295. Traded issues valued Taka 2,05,735.00. It was Taka 341,402.00 on the previous day.

Dhaka Stock Exchange (DSE) All Share Price Index which is the broad indicator of price movements of all the listed stocks with the exchange, moved up to 350 points compared with Wednesday's 349.8839.

Twenty stocks were traded. Of them thirteen gained, four lost and three remained unchanged at their previous quoted prices.

Among the advancers Monno Ceramic and Usmania Glass gained most. They moved up Taka 5.18 and Taka 5.00 to Taka 150.00 and Taka 140.00 respectively.

Bangladesh Thai Aluminium and Bengal Food gained Taka 3.75 and Taka 3.20 to Taka 9.00 and Taka 21.20.

Beximco Pharma, G.P. Ball Pen and Afab Automotives advanced Taka 2.55, Taka 2.00 and Taka 1.67 to Taka 175.00 Taka 58.00 and Taka 206.67 respectively.

BGIC Insurance, 5th ICB Mutual Fund, 6th ICB Mutual Fund, Eastern Cables, Quasem Drycels and Salham Textile moved up within the range between Taka 0.23 and Taka 1.00.

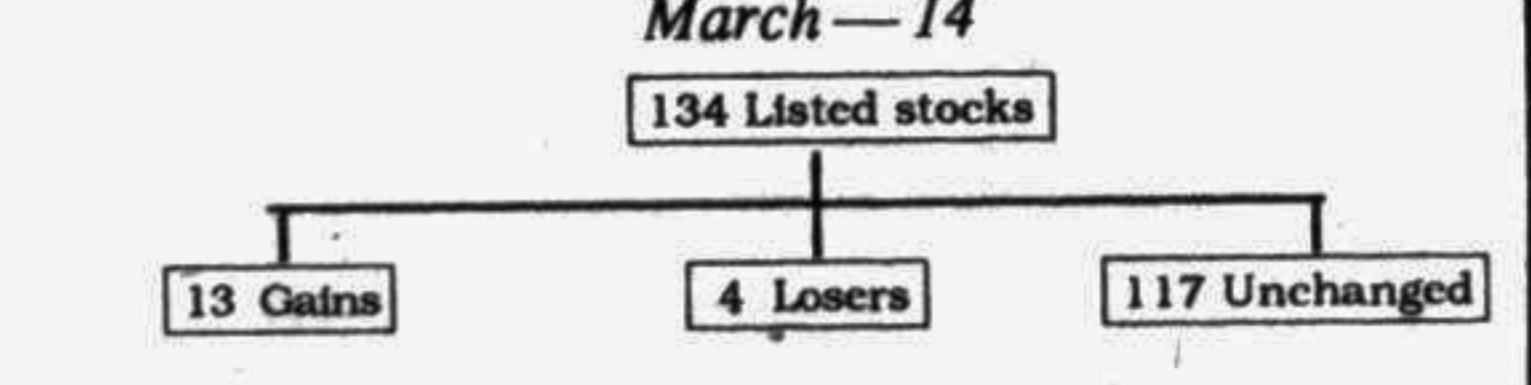
The Ist ICB Mutual Fund lost Taka 5.00 to Taka 435.00. Chittagong Vegetable, Dhaka Vegetable and Rupali Bank declined within the range between Taka 0.29 and Taka 1.19.

Quoted Prices of Traded Stocks

Table with columns: Bank, FV/ML, Closing (Taka), Changes (Taka). Lists various banks and their stock prices and changes.

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

Dhaka Stock Exchange Market Profile



111 Unchanged stocks include two traded on the day at the previous day's quoted prices. DSE All Share Price Index = 350 Issued Capital-Taka 4,620,377,190.00 Market Capitalisation = Taka 10,007,695,277.00 Turnover = Taka 2,05,735.00(Value) 3060 (Volume).

Tk 4,580 cr import in pipeline

Star Economic Report

Outstanding import Letters of Credits (LCs) valued Taka 4579.96 crores (1279.42 million US dollars) at the close of first seven months of current fiscal year. The amount was Taka 5537.42 crores (1718.09 million dollars) around the same time in fiscal 1989-90.

Lower import pipeline position on January 31, 1991 than that of exactly a year earlier showed slow-down in import activities. Import operations under report excluded back-to-back LCs for both years.

Excluding back-to-back LCs, new LC openings in first

seven months of fiscal 1990-91 totalled Taka 5805.87 crores (1632.24 million dollars) compared with Taka 6209.10 crores (1926.50 million dollars) in the corresponding period last year.

The pipeline position, again excluding back-to-back LC operations, on July 1 at the beginning of fiscal 1990-91 was Taka 5387.38 crores (1664.17 million dollars) in terms of outstanding LCs. New LC openings plus imports in the pipeline against last fiscal year's openings totalled thus Taka 1113.46 crores in July-September 1990-91. Against this,

import bills worth Taka 6555.38 crores were settled or cancelled by January 31, 1990.

The shares of cash resources and external loans and grants, and barter in new LC openings between July 1990 and January 1991 stood at Taka 197.81 crores and Taka 1712.64 crores respectively. The rest Taka 1566.12 crores of new LC openings were accounted for by operations under Wage Earners Scheme (WES) or Secondary Exchange Market (SEM).

The latest available figures

from Bangladesh Bank showed that Petroleum, Oil and Lubricants (POL) imports against both outstanding pipeline and new LC openings in first seven months of current fiscal year amounted to Taka 1169.40 crores against which settlements totalled Taka 303.71 crores against which settlements amounted to Taka 111.91 crores. Non-POL and non-food imports were valued Taka 9660.35 crores with settlements of LCs for Taka 5560.38 crores by January 31, 1991.

A comparative assessment of import operations, as such, in first seven months of current fiscal year against those in the corresponding period last fiscal year showed a marked decline in imports. In Taka terms, of food items as well as non-food & non-POL items.

In case of non-food, non-POL items, the decline would be around Taka 115 crores. For food items, the figure was Taka 457 crores. But the POL imports, against both new openings and utilisation of those in the pipeline, were up by about Taka 388 crores.



Fertilizers are being loaded in a cargo vessel at Narayanganj port for export

- Star photo.

Dhaka to get Tk 21 cr for flood control

Star Economic Report

The European Community (EC) and the government of France have decided to co-finance, in the context of the Flood Action Plan, two studies relating to water management in the North Central region of Bangladesh, says a joint press release issued in Dhaka Thursday by the Embassy of the Republic of France and the office of the Commission of the EC in Bangladesh.

The first study, led by the Commission of the European Communities, will elaborate a long term scenario for flood control, drainage and irrigation of the region and identify priority projects. Its amount is Taka 12 crore. The contract, signed on February 28 with a consortium of European and Bangladesh consultants, will be carried out within thirteen months, the press release adds.

The second, led by France, is a feasibility study of water management in the Jamalpur compartment covering 60,000 hectares between Jamuna and the old Brahmaputra. It will begin in June 1991 and take 9 months, for an amount of Taka 9.5 crore. The study will also be carried out by a consortium of European and Bangladesh Consultants.

The press release adds: The studies are key elements of the Flood Action Plan, and part of the international effort to assist Bangladesh in dealing with and controlling floods in the future.

Both the government of France and the European Community are pleased that these studies can now begin.

Price Barometer Essentials

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Price Barometer Essentials table listing various commodities like Aman (Very fine), Pulses, Meats, Oils, etc. with their prices per kg.

Source: Department of Agricultural Marketing

37,075 grams seized gold deposited

Star Economic Report

Seized foreign gold bars, weighing 36,039.400 grams, and pieces of pure gold, weighing 1,035.700 grams, were deposited by various government agencies with Bangladesh Bank in February, '91, says a Press release of the Bank.

Besides, seized mixed gold or ornaments, weighing 036.200 grams, were also deposited with Bangladesh Bank.

UK economy slides down but Whisky looks brighter

LONDON, Mar 14: While Britain's economy slides deeper into recession, prospects look brighter than ever for the Scotch Whisky industry, reports Reuter.

Profits are rising steeply and the industry is brimming with confidence after nearly a decade of woes caused by chronic over-production. The lake of surplus Whisky is drying up and the value of exports rose nearly 17 per cent in 1990, while volume production fell two per cent.



Turtle Award 1990

Mr A Monem, Chairman of K Rahman and Company was declared winner of the coveted President's 'Turtle Award 1990'. This award is given by the President of the Coca-Cola Export Corporation South West-East Asia division to the bottler who took the maximum risk and succeeded in growing the Coca-Cola business in his franchise. A first time for any bottler in the sub-continent.

\$400m needed for mid-term polls: Devi

Coalition govt doesn't work, says FICCI

NEW DELHI, Mar 14: A general election in India could end economic uncertainties caused by a severe fiscal crisis, industry and business leaders said on Wednesday, reports Reuter.

But they said the elections, which Prime Minister Chandra Shekhar said would be held in May, could delay negotiations with the International Monetary Fund (IMF) for a new loan, reports Reuter.

Viren Shah, Industrialist and former President of the Associated Chambers of Commerce and Industry termed the dissolution of parliament by the Indian President as "the right decision."

Shah said the elections would not adversely affect India's prospects for a fresh IMF loan but could delay its approval.

India borrowed 1.79 billion dollars from the IMF in January.

unity to tide it over its balance of payments crisis. Bankers and diplomats say India is asking for two billion dollars more to bolster dwindling foreign exchange reserves.

Businessmen say the elections will be an additional burden on taxpayers when the economy is already under severe strain because of the Gulf crisis.

Deputy Prime Minister Devi Lal Tuesday estimated the cost of elections at 7.50 billion rupees (about 400 million dollars) which taxpayers would have to bear.

"It is essential to go back to the people despite the huge election expenditure involved," Shah said, adding elections were necessary because no single party had a parliamentary majority.

"Everything will depend upon the outcome of the elections. If no party gains a majority, it will even be worse at this time, but there is little choice," said P.N. Panandikar, Secretary General of the Federation of Indian Chambers of Commerce and Industry (FICCI).

"People have learned that coalition governments do not work," Panandikar said.

The first to fall was VP Singh's minority government in November after the Hindu revivalist Bharatiya Janata Party withdrew its support.

Shankar, who split Singh's party to form a new government, quit after a row with former Premier Rajiv Gandhi's Congress Party. Congress support was essential for the survival of Shankar's government.

Share prices moved only marginally Wednesday after parliament's dissolution as the markets have been expecting the move for the last week, brokers said.

Cutback in oil output to help market stability

GENEVA, Mar 14: Saudi Arabia, which has reasserted its dominating position in OPEC this week, confirmed Wednesday it would reduce its crude oil production in line with Tuesday's decision by OPEC ministers meeting here for the first time since the Gulf war, reports AFP.

Saudi Oil Minister Hisham Nazer said the Kingdom would reduce its supplies from 8.5 to 8.034 million barrels a day (MBD) starting on April 1 and would not "dump" crude from the Kingdom's floating stocks.

Earlier, OPEC reached an accord in Geneva Tuesday in its meeting clipping production to a daily level of 22.3 million BPD.

The next meeting of the market monitoring committee would take place on June but the OPEC Secretary General Subrato did not name of the venue.

Reuter reports from London: Oil prices rallied Wednesday, helped higher by news of a larger than expected weekly drawdown from US crude oil stocks, traders said.

Weekly American Petroleum Institute (API) published figures Tuesday showed US crude oil stocks fell by almost six million barrels.

Traders had been expecting a weekly rise of between one and three million barrels.

In London, North Sea Brent Blend futures for April loading were up 1.12 dollars at 20.15 dollars a barrel by 1830 GMT.

Brent was last at 20 dollars on February 13, when March Brent settled at 20.09 dollars.

Another report from Washington adds: The US administration is making clear that it considers oil prices in the 20-to-22-dollar range as acceptable, perhaps even desirable. According to President George Bush's national energy strategy released earlier this month, a gradual increase in oil prices of about 4 per cent a year over the next decade is not only anticipated, but may be beneficial.

Bush's energy plan envisions oil prices of about 30 dollars a barrel

Gorbachev won't give up free economy

MOSCOW, Mar 14: President Mikhail Gorbachev said he did not intend abandoning plans to introduce a market economy in the Soviet Union and the foundations were being laid for further reforms, reports Reuter.

"If we sometimes use administrative methods, we do this to keep the situation under control," Gorbachev told the visiting head of the fledgling European Bank for Reconstruction and Development (EBRD).

The Soviet leader, criticised by political opponents and liberal economists alike for renouncing radical market-oriented reform plans, appeared to be justifying recent decrees aimed at restoring financial stability and production discipline.

"If we did not do this, we would have to discontinue reforms. But we do not intend to make stops," Gorbachev told EBRD Chief Jacques Attali.

"Our present plans provide for new moves concerning creation of a firm legal basis for further changes and simultaneously for their implementation, including stabilisation of the financial system and the rouble," Gorbachev was quoted as saying by the official Tass news agency.

Banking hours in Ramzan

Star Economic Report

The office timings of all the scheduled banks including Bangladesh Bank, during the month of Ramzan will be from 9-00 am to 4-00 pm from Saturday to Wednesday with a break from 1-15 pm to 1-30 pm for Jahur prayer, a Bangladesh Bank press release said in Dhaka Thursday.

The offices will work without any break from 9-00 am to 12-30 pm on Thursday, the press release added.

Transactions hours will be from 9-00 am to 1-00 pm from Saturday to Wednesday and on Thursday it will be from 9-00 am to 11-00 am, the press release said.

BJC Accountants' Forum Award

Star Economic Report

Eight accountants received the best accountant awards at the annual conference-1990 of Bangladesh Jute Corporation (BJC) Accountants' Forum held at a Chinese restaurant in city Thursday.

The recipients of the awards were Messers Shamsul Alam, Shamsul Huq Miah, Md Golam Mostafa, Md Nurul Islam, Abul Hossain Sarkar, Masudul Haq, Azizul Islam Chowdhury and S B Roy.

Mr MA Matin, President of the forum, was in the chair at the function. Colonel (Ret'd) M Shariful Islam, Chairman, BJC, distributed the awards among the winners.

Gold & Silver

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Gold & Silver price table listing Gold, Tejbati, Gulmra, Silver prices per 11.66 grams.

Hides & Skin

(Wet/Salted) March - 14

Hides & Skin price table listing Cow, Light, Medium, Heavy, Very heavy, Rejected, Goat, Dig & heavy, Light & Medium, Rejected, Sheep, Buffalo prices per 100 pieces.

Exchange Rates

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Exchange Rates table listing selling and buying rates for US Dollar, UK Pound Sterling, German Deutsche, French Franc, Saudi Ryal, Dutch Guilders, Pakistan Rupee, Singapore Dollar, LIAE Dirham, Kuwaiti Dinar, Indian Rupee, etc.

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, B/Cs and Overdraw Drafts (ODs) One Unit of Foreign Currency (FC) for Taka

Secondary Exchange Market table listing Wage Earners Fund/Report, Performance Benefit (XPB) Fund, US Dollar, UK Pound, Sterling, etc.

Snippets

Japan lifts ban on rice imports

TOKYO, Mar 14: Japan will bow to external pressure and agree to relax its total ban on rice imports later this year, according to official policy guidelines quoted by Thursday's Nihon Keizai Shimbun, reports AFP.

Iraq becomes more oil dependent

LONDON, Mar 14: The multinational forces' bombing campaign has devastated Iraq's industrial capacity, leaving the economy even more dependent on oil than it was before the war, economists said, reports Reuter.

With oil production facilities also badly damaged, Iraq's financial position is calamitous. The cost of rebuilding can only be guessed at but, in the middle of the war, Iraqi officials had estimated the price at around 200 billion dollars.

USSR faces looming energy crisis

MOSCOW, Mar 14: The Soviet Union, a major oil exporter, faces a looming energy crisis, oilmen warned President Mikhail S. Gorbachev Wednesday, according to Tass, reports AP.

Lawmakers and officials from the huge Tyumen oil region in Western Siberia told Gorbachev in their appeal for help that their oil and gas deliveries will fall 17 million to 18 million metric tonnes short of the state order in 1991, Tass said.

GATT to study Tuna ban on Mexico

MEXICO CITY, Mar 14: The representative council of the General Agreement on Tariffs and Trade (GATT) has decided to set up a group to study the legality of a Tuna ban imposed on Mexico by a US Federal court, reports Xinhua.

US war funding bill passed

WASHINGTON, Mar 14: The US House passed a Gulf war funding bill that included an array of veterans and personnel benefits, reports Reuter.

The authorisation bill, adopted by a 398-25 vote, would make Gulf war and other veterans eligible for one billion dollars in benefits, including education, health care and home loans.

Swiss Bank profit declines

ZURICH (Switzerland), Mar 14: Swiss Bank Corp. announced Wednesday a 12.5 per cent drop in group profit in 1990 but said it plans an unchanged dividend payout, reports AP.

Switzerland's second-biggest commercial bank spoke of good chances for a "pronounced improvement in earnings" this year.

Accord on Polish debt uncertain

LONDON, Mar 14: Creditor nations are on the verge of reaching an accord that will effectively write off half of Poland's 33-billion-dollar debt to foreign governments, the Financial Times reported Thursday, reports AP.

Plea for \$10.4 m for US arms control

WASHINGTON, Mar 14: Members of Congress heard a plea on Wednesday for an additional 10.406 million dollars next year for the US Arms Control and Disarmament Agency, reports AP.

"The next several years will see an increasing emphasis on arms control as a vital element of our overall national security policy," said Ronald F. Lehman II, the agency's director.

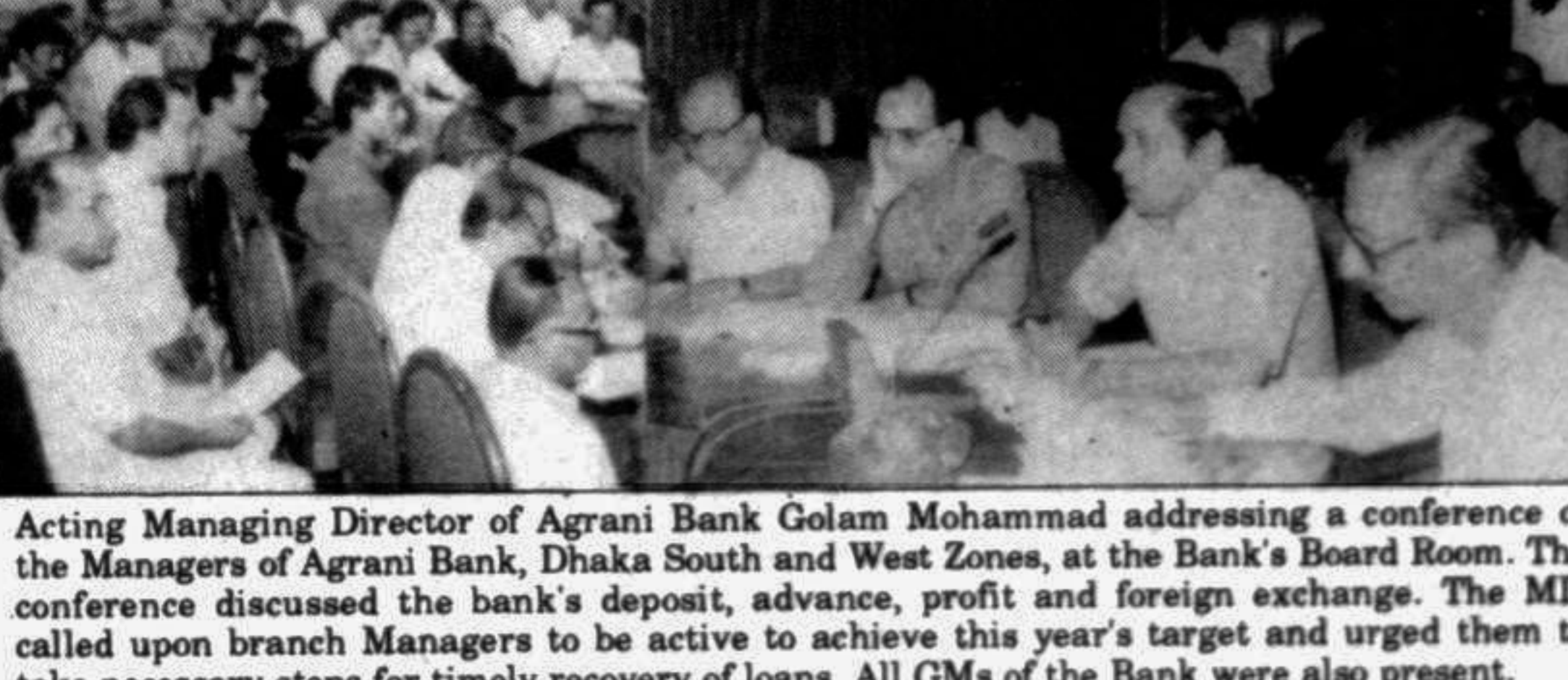
11,500 tons wheat for Iraq authorised

NEW YORK (United Nations), Mar 14: The United Nations Wednesday authorised the shipment of 11,500 tonnes of wheat to Iraq to be distributed by the International Red Cross, sources said, reports AP.

Yemen, which has offered to pay for the wheat, appealed to the UN committee supervising the sanctions imposed against Iraq for the invasion of Kuwait, and urged lifting the embargo of food shipment on humanitarian grounds.

Exxon agrees to settle Alaskan oil spill

WASHINGTON, Mar 14: Exxon Corp has settled government claims arising from the nation's worst oil spill by agreeing to pay a record 100-million-dollar fine for four environmental crimes. It will also spend an additional 900 million dollars to finish cleaning up Alaska's coast, reports AP.



Acting Managing Director of Agran Bank Golam Mohammad addressing a conference of the Managers of Agran Bank, Dhaka South and West Zones, at the Bank's Board Room. The conference discussed the bank's deposit, advance, profit and foreign exchange. The MD called upon branch Managers to be active to achieve this year's target and urged them to take necessary steps for timely recovery of loans. All GMs of the Bank were also present.