

German business faces bankruptcy as US troops withdraw

MAINZ (Germany), Mar 21: Germans fear becoming economic casualties of the peace now that the Gulf war is over and US troop withdrawals from Europe are picking up speed.

Businesses from bars to video stores face bankruptcy when US bases close, deserting German towns which in some cases built their economies on the 40-year American military presence.

Entire regions in wealthy western Germany fear the military pullout announced last September will bring major economic problems.

Washington plans to close or cut back 108 bases in Germany over the next few years as part of worldwide troop cuts in response to improved superpower relations and a Federal budget crunch. It has not said how many troops it would leave behind.

Some withdrawals scheduled for this year were put on hold after 80,000 of the 260,000 US servicemen based here were sent to drive Iraq out of Kuwait.

But US military officials say about 30,000 army and 10,000 air force servicemen, some still in the Gulf, will be pulled out of Europe this year. Most are from Germany, where a third phase in the pullout was announced on March 7.

The massive deployments to the Gulf gave businessmen a foretaste of what will happen when troops withdraw for good.

Pubs, video stores and car dealers catering to US soldiers say their sales nose-dived. Some went out of business.

German landlords also fear a US withdrawal.

Many Germans built houses because they were able to rent them to Americans.

Stock trading nosedives

Star Economic Report.

The week closed Thursday at Dhaka Stock Exchange (DSE) with trading nose-diving to a record low.

Dull trading reflected investors' lukewarm attitude. Operators were a few in number.

In all, 1767 shares and debentures changed hands compared with Wednesday's 5255. Traded issues were valued Taka 231,260.00 against Taka 370,780.00 on the previous day.

The DSE composite Share Price Index however recorded a marginal rise because advances were larger in number than declines, notwithstanding the decline in trade volume. The index, a broad indicator of price movements of all the listed stock, stood at 351.0486 compared with Wednesday's 351.0040.

In all eleven stocks were traded. Of them six lost, four gained and one remained unchanged at their previous quoted prices.

Apex Tannery, the lone traded debenture, lost Taka 4.23 to Taka 1010.00.

Beximco Pharma and Apex Tannery declined Taka 2.35 and Taka 1.63 to Taka 182.00 and Taka 146.09 respectively.

Eagle Star, 5th ICB Mutual Fund and 6th ICB Mutual Fund lost within the range between Taka 0.24 and Taka 1.00.

Rupali Bank, ICB Unit Certificate Sales Price, Re Purchase and Petro Synthetic advanced within the range between Taka 0.50 and Taka 1.00.

Quoted Price of Traded Stocks

March-21

Stock	Price	Change
Bank	100/10	96.00 (+1.00)
Investment	100/10	126.00 (+1.00)
5th ICB M. Fund	100/10	95.75 (+0.24)
6th ICB M. Fund	100/10	95.75 (+0.24)
ICB Unit Certificate	127.00	127.00 (+1.00)
Re Purchase	122.00	122.00 (+1.00)
Insurance	100/10	111.00 unchanged
Green Delta	100/10	111.00 unchanged
Pharma & Chem	100/5	142.00 (+3.35)
Scintex Pharma	100/5	135.00 (+0.50)
Petro Synthetic	100/5	142.00 (+3.35)
Textile	100/5	34.26 (+0.24)
Eagle Star	100/5	146.09 (+1.63)
Miscellaneous	100/5	101.00 (+4.23)

*FV= Face Value, ML= Market Lot

**Changes: Plus signs mean gain and (-) signs losses.

Dhaka Stock Exchange Market Profile

March-21

134 Listed stocks

4 Gains 6 Losers 124 Unchanged

124 Unchanged stocks include one traded on the day at the previous day's quoted prices.

DSE All Share Price Index = 351.0486

Issued Capital-Taka 4,620,377,190.00

Market Capitalisation = Taka 10,031,304,674.00

Turnover = Taka 2,31,260.00(Value) 1767 (Volume).

50 p.c. industries sick

Star Economic Report

About 50 per cent of existing industrial units, both in public and private sectors, are sick. Industrial sickness has continued in an unabated form, particularly since the eighties. This has acted as the major impediment to industrialisation efforts in the country.

This has been noted by the 14-member Task Force on In-

Industries Minister felicitated

By Staff Correspondent

Bangladesh Chamber of Industries has felicitated Shamsul Islam Khan on his appointment as the Minister for Industries.

Sharif M. Afzal Hossain, Acting President of the Chamber in a statement to the press on Thursday, expressed the hope the growth of the industries sector would be accelerated and problems, facing the sector, would be solved under the leadership of an experienced industrialist like Shamsul Islam Khan.

He pledged all-out cooperation of the Chamber to the new Industries Minister.

Elaborating inappropriate and excessive protection, the Task Force has observed that although protection is considered necessary for nascent industries for a limited period of time, such protection in some cases has been allowed for a long time. This has resulted in inefficiency and subsequent sickness.

The Task Force has stressed that the main thrust of future industrial policy should be the removal of sickness of industries. This can be done through proper evaluation and identification of the problems of the sick industries, it says in its report.

According to the Task Force, the industries which are found to be capable of recovery should be dealt with in a manner so as to make them viable and profitable. "For this purpose, the government may consider setting up a body for rehabilitation of sick industries. This body should be manned by competent officials and there may be built in incentives for such people. An example of such an effort can be found in India", it has pointed out.

The Task Force has recommended that the industries which have become "structurally uneconomic" should be closed down.

1.3 lakh jobless in Hungary

BUDAPEST, Mar 21: More than 130,000 people are out of work in Hungary now and unemployment could reach 20 per cent in some parts of the country by year's end, Labour Minister Gyula Kiss said, reports Reuter.

Protectionism hits poor states' trade

GENEVA, Mar 21: Protectionism and structural adjustment, a subject concerned by most developing countries, has been debated in the last few days at a meeting of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) and protectionist measures in major developed countries have been under strong attack, reports Xinhua.

Delegates from developing countries claimed that the slow down of growth in world trade and output during the 1980s, in particular in developing countries was largely attributable to the resurgence and intensification of protectionism in developed countries.

Representatives of developed countries insisted however, that the responsibility for protectionist pressures should not be assigned exclusively to developed countries.

Indrajit Singh Chanda of

India, speaking on behalf of the Group of 77 developing countries (which now includes more than 120 countries), said the discriminatory trend against developing countries in both tariff and non-tariff barriers was evident and could be worsened by new developments like free trade agreements among developed market economy countries and granting preferential status to countries in eastern Europe. The erosion of existing preferences and trade diversion at the expense of the developing countries has to be offset urgently, he said.

According to a recent UNCTAD report, trade distorting measures in developed countries caused a loss of some 4.6 billion US dollars to developing countries' export in 1988, representing 18 per cent of their current exports to the restraining countries.

Chinese delegate Lu Tailai complained that China had suffered a lot from trade

Interest rates to remain high in US, Japan, Germany

NEW YORK, Mar 21: Real interest rates will remain high in the United States, Germany and Japan in the 1990s, World Bank (WB) Chief economist Lawrence Summers said on Wednesday, reports Reuter.

In a speech to a group of professional economists, Summers said real rates in Japan and the U.S. will remain at about five per cent about the same as in the 1980s. Real rates were likely to move about 50 to 100 basis points higher in Germany.

Summers said real interest rates in Europe registered about four per cent rose during the 1980s.

Reconstruction demand in Eastern Europe and the Middle East would provide upward pressure on rates, he said.

U.S. progress in curbing government spending would mean a likely move towards higher savings and a lower budget deficit.



KUWAIT CITY : Kuwaiti Central Bank Governor Salem Abdul Al-Sabah displays a poster showing new bank notes to be put in circulation March 24 during a Press conference at the central bank here. — AFP/UNB photo.

Kuwaiti Dinar to regain value

LONDON, Mar 21: Kuwait is likely to be able to keep the new dinar steady around the level ruling before Iraq invaded the country on August 2 when it fixes a new exchange rate on Sunday, according to bankers and economists, reports Reuter.

"With the security backing the currency, in terms of foreign assets, there should be strong support for the dinar," said a Middle East economist at a UK bank in London.

Kuwait's Central Bank Governor, Sheikh Salem Abdul Aziz al-Sabah, told a news conference on Tuesday that a new exchange rate would be fixed on Sunday near the pre-invasion level.

There has been no indication that the Kuwaiti government's resignation today will affect the new exchange rate plans.

Bankers believe the dinar will probably start trading close to 0.290/0.315 dinars to the dollar against the last

official fixing before the Iraqi invasion of a 0.28744/54.

\$70m for food import

Xinhua reports from Cairo: The Kuwaiti government has allocated 20 million dinars (70 million dollars) to import food and commodities for free distribution to its citizens during the Muslim fasting month of Ramadan, Egypt's Middle East News Agency (MENA) reported yesterday from Kuwait.

The government issued 400 import permits to Kuwaiti merchants this week to bring in food and consumer goods to meet the need of the people said the unnamed official.

Claim undermined

AP adds from New York: An airline industry official Wednesday undermined Kuwait's claim to airlines seized by Iraq, saying Kuwait Airways was compensated by insurers.

EC proposes limits on bank loans

BRUSSELS, Mar 21: The European Commission, in a bid to boost the stability of the European Community's financial services markets, unveiled plans to cap the size of loans banks are allowed to issue.

A spokesman for the Commission, the EC's executive body, said the proposals would stop any bank giving out loans worth more than 25 per cent of the bank's own funds — that is, its paid-up capital and reserves.

The proposal, which will need approval by EC governments, should take effect in 1993 along with other proposals designed to allow banks to do business freely throughout the 12-nation bloc, EC officials said.

Small banks would be exempted from the 25 per cent ceiling until 1998 and for three years after that for any loans just agreed before the deadline, the spokesman said.

He said many EC countries do not impose such severe limits on the size of individual loans banks can offer.

The temporary exemption was given to small banks

3,000 tons coal remain unsold in Feni

FENI, Mar 21: About 3,000 metric tons of coal remained unsold in the two depots of the district, reports UNB.

According to sources, more than 30 brickfield owners of the district requested authorities to supply 3200 tons of coal for manufacturing bricks.

Accordingly, the coal was made available. But the brickfield owners are allegedly using firewoods instead of coal violating government prohibition. Mentionable that firewood is available in the district at a comparatively lower price.

The supervisors of the two coal depots have repeatedly asked the brickfield owners to lift coal but nothing tangible has yet been achieved in this regard.

2nd export zone in Pakistan

ISLAMABAD, Mar 21: Pakistan authorised a second Export Processing Zone (EPZ) in the Punjab province capital Lahore aimed at boosting industrialisation.

The Economic Coordination Committee of Prime Minister Nawaz Sharif's Cabinet also directed authorities to select sites for more such zones in lower Punjab and North West Frontier and Baluchistan provinces, a government announcement said.

Pakistan's has one EPZ near Karachi, where export-oriented industries are exempt from taxes and duties, but authorities say the response from foreign investors has been cool.

Exchange Rates

March - 21

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/C) and Overdrafts (O/D)

One Unit of Foreign Currencies (FC) for Taka	Selling	Buying
US Dollar	35.9226	35.4432
UK Pound Sterling	63.9136	63.1532
German Deutsche	21.8547	21.5499
Mark		
French Franc	6.1147	6.3257
Saudi Riyal	9.6101	9.4819
Dutch Guilders	19.3705	19.1017
Pakistan Rupee	1.5859	1.5708
(AMU)		
Singapore Dollar	20.3435	20.0920
UAE Dirham	8.8141	9.6831
Kuwait Dinar		Not available
Indian Rupee	1.8726	1.8518
AMU	5.9006	5.9057

*AMU: Asian Monetary Unit

Wage Earners Fund/Export Performance Benefit (XPB) Fund

Buying Selling

US Dollar 38.48 36.53

UK Pound 64.93 64.18

* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market

Source: Sunali Bank

Gold & Silver

March - 21

(Taka for 11.66 grams)

Gold 6,000.00

Telhat 6,300.00

Gultra 6,300.00

Silver 200.00

Source: Department of Agricultural Marketing

Hides & Skin

(Wet/Salted)

March - 21

(Taka per 100 pieces)

Cow 15,000.00 — 19,000.00

Light 28,000.00 — 35,000.00

Medium 40,000.00 — 45,000.00

Heavy 55,000.00 — 60,000.00

Very heavy 70,000.00 — 75,000.00

Rejected 30,000.00 — 35,000.00

Goat 14,000.00 — 15,000.00

Light 7,500.00 — 8,000.00

Medium 3,500.00 — 4,000.00

Rejected 10,000.00 — 10,500.00

Buffalo 60,000.00 — 65,000.00

Source: Department of Agricultural Marketing

SAARC Chamber of Commerce likely

BOMBAY, Mar 21: The seven-nation South Asia Association for Regional Cooperation (SAARC), set up five years ago, is engaged in a joint study on steps to be taken for cooperation in trade, manufacture and services — a study expected to indicate the way to the formation of a SAARC common market, the SAARC Secretary-General K K Bhargava, said here Wednesday, reports PTI.

Bhargava also visualised the possibilities of a SAARC Chamber of Commerce and SAARC Joint Business Council. Some more liberalisation measures would be the way by necessary in such areas, Bhargava said adding that

Pakistan had already privatised its banking industry.

Economic cooperation among the member nations would be achieved better through private sector trade and business initiatives, he added.

All the seven member nations — Maldives, Sri Lanka, Bangladesh, Pakistan, Bhutan, Nepal and India — have submitted their respective study and suggestions for regional economic cooperation to the SAARC Secretariat.

The SAARC Secretariat, Bhargava said, would shortly synthesise the reports from the member nations with the help of Dr Ashfaq Hussain Khan.

S. African economy faces crisis

CAPE TOWN, Mar 21: South Africa's Gross Domestic Product (GDP) fell by almost one per cent in the year to March and the government painted a bleak picture on Wednesday of fall in production and increased unemployment in the year ahead, reports Reuter.

The Finance Ministry said in a budget review that mine production and agriculture were down, inflation was holding above 14 per cent, savings were low and unemployment was still rising.

"On account of the fall in the demand for South African products and an expected further shrinkage in inventories, the chances are

small of an upswing in 1991", the ministry said in the review released as Finance Minister Barend Du Plessis began his budget speech in Parliament.

"A further fall in GDP is therefore expected, accompanied by too small an increase in job opportunities and consequently a further rise in unemployment," the ministry said.

It said real GDP fell by 0.9 per cent in 1990, but measured against the population, per capita GDP fell by three per cent. This was double the average annual 1.5 per cent drop in per capita GDP over the past decade.

US trade deficit jumps

WASHINGTON, Mar 21: After dropping to a seven-year low in 1990, the U.S. trade deficit hit seven billion dollars in January, an 11.5 per cent increase against the previous month despite a surge in exports, the Commerce Department reported Wednesday, says AFP.

The January figure coincided with what most economists had forecast. In December the trade deficit had fallen to a revised 6.28 billion dollars, its lowest level since June and

considerably less than 8.91 billion dollars in November.

The Commerce Department had initially estimated the December trade deficit to be 6.25 billion dollars.

The trade deficit worsened in January due to a continued imbalance between imports which was by 4.8 per cent to 1.48 billion dollars, and exports, which increased 3.5 per cent to 34.49 billion dollars. However exports totalled 39.58 billion dollars and imports, 33.31 billion dollars.

The rise in exports is good news for the U.S. economy since it is one of the few sectors to show any improvement since the start of the recession in October.

Commerce with Japan accommodated the biggest bilateral trade deficit for the United States in January, with 3.5-billion-dollar short fall, slightly higher than the 3.4 billion dollars recorded in December.

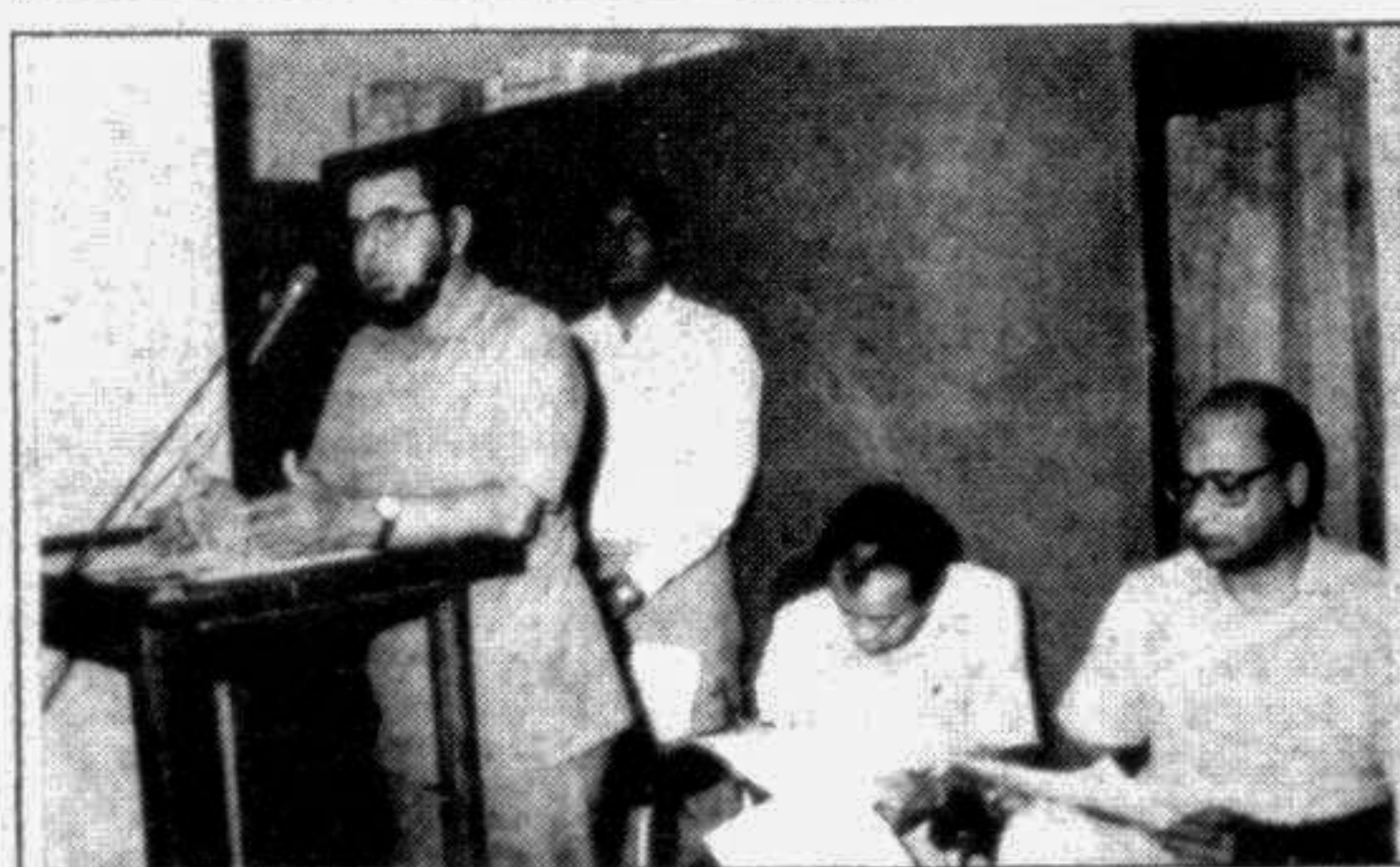
The January trade deficits with China and Taiwan were put at 900 million dollars each

with Canada at 400 million dollars and with Brazil 300 million dollars.

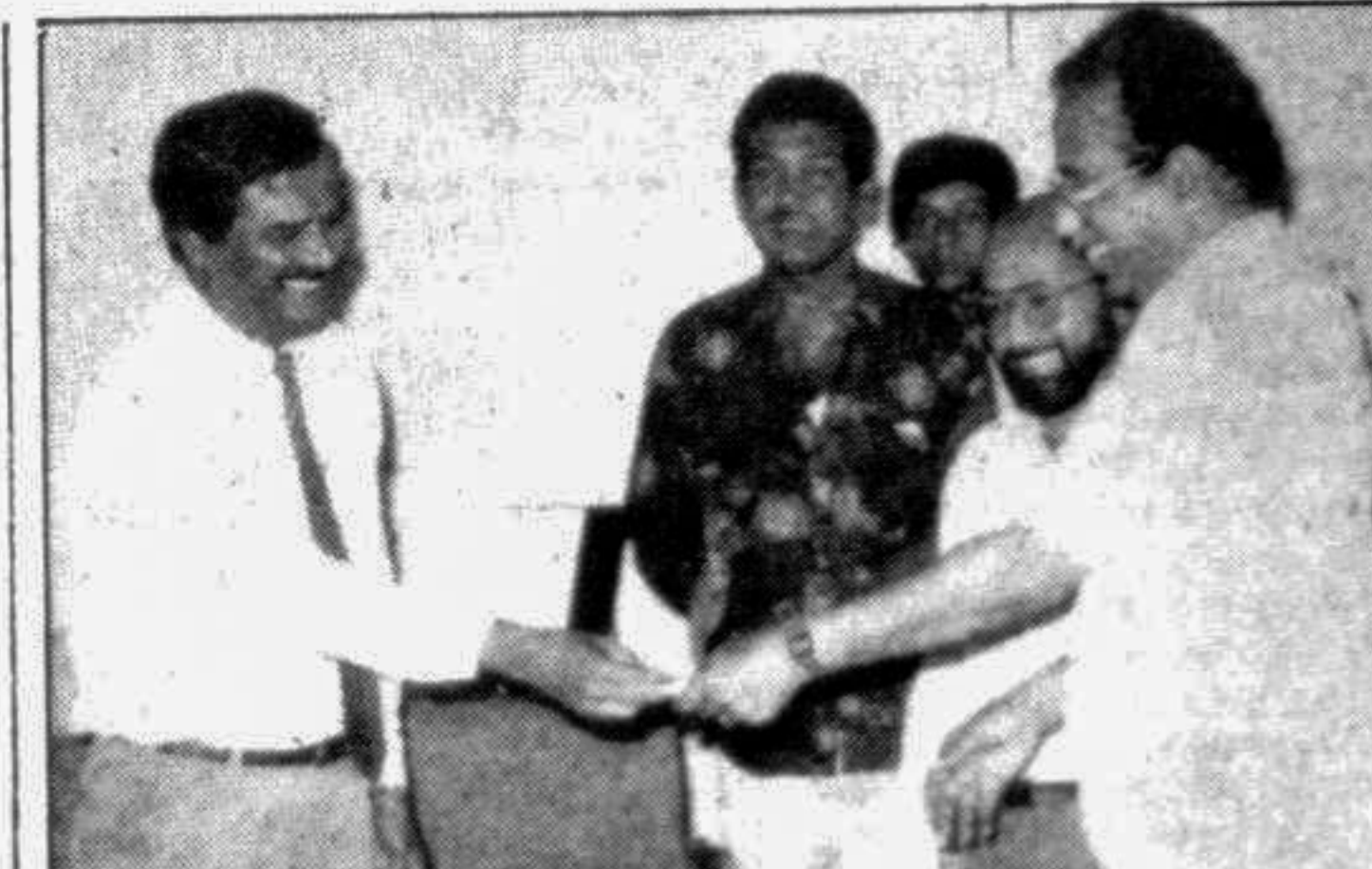
The United States continued to benefit from a trade surplus with western Europe which hit 1.1 billion dollars in January, down from 1.6 billion the previous year.

For all of 1990, the US trade deficit was put at 101 billion dollars, down from 109.4 billion dollars in 1989.

While the January trade deficit showed a substantial increase from the previous month.



Khandaker Ruhul Quddus, Managing Director of Bangladesh Krishi Bank addressing a training course on 'Identification of sick industrial projects and remedies' at the central training institute of the bank in Dhaka recently.



Khulna : Nowsher Ali Mollah, Vice-President of Bangladesh Commerce and Investment Ltd handing over a cheque of Tk 2.50 lakh to Syed Ashraf Ali, President of Khulna Bankers' Club recently. — Star photo.

Snippets

Gasoline prices rise in NY

NEW YORK, Mar 21: Unleaded gasoline prices rose sharply Wednesday amid signs of a shrinking US stockpile, propping up other energy prices, reports AP.

The rally at the New York Mercantile Exchange gained added momentum from developments in the Brazilian oil workers strike and Mexico's need to start importing more fuel, which were taken as signs of tightening supplies as the peak driving season nears.

US okays \$623m for plant cleanup

WASHINGTON, Mar 21: The Senate on Tuesday approved 623 million dollars for cleanup operations and environmental protection at atomic weapons facilities operated by the Energy Department, reports AP.

The measure, sought by President George Bush's administration, included 283 million dollars to clear the way for resumed operations next year at the Rocky Flats nuclear weapons plant in Colorado, which has been idled since 1989 due to environmental problems.

Starving people deprived of food

HARARE, Mar 21: Bureaucratic malpractice has deprived starving people of government food handouts in parts of Zimbabwe, which supplies food aid for neighbouring countries, a provincial Governor admitted Wednesday, reports AFP.

Governor of the southern province of Masvingo, J'siah Hungwe, told the national Ziana News Agency that he would soon set out on a provincial tour explaining and apologising to the people for not receiving the food aid.

Malaysia targets palm oil market

KUALA LUMPUR, Mar 21: The Palm Oil Research Institute of Malaysia (PORIM) has identified South American countries including Mexico, Venezuela and Colombia as new markets for Malaysia's palm oil, officials said Wednesday, reports AFP.

Malaysia is the world's largest producer and exporter of palm oil with production amounting to 6.09 million tonnes last year and its exports, which stood at 4.452 million tonnes in the first 11 months of last year, went mainly to China, Singapore, Pakistan, India, the European Economic Community and Egypt.

\$15b US war bill approved

WASHINGTON, Mar 21: The US Senate, by a 98-1 vote, approved a 15 billion dollar Gulf War Appropriation Bill that would prohibit US arms sales to Allies until they pay pledged contributions to US war costs, reports Reuter.

US officials hope that 53.5 billion dollars in pledges from Allies will pay US war costs but asked for the 15 billion dollars to pay immediate bills.

Plan to retain subsidies protested

BUCHAREST, Mar 21: Romanian Finance Minister Teodor Stolojan and Industry and Trade Minister Anton Vattasescu resigned Wednesday in protest against plans to retain subsidies when the second stage of price liberalisation begins on April 1, reports AFP.

Reporting the resignations, Rompres News Agency said the two ministers wanted subsidies "totally eliminated because they are inefficient and cause heavy losses."

Riyadh to honour war cost pledge

NICOSIA, Mar 21: Saudi Arabia said today it stood committed to its pledge to pay its share of Gulf war costs, the Saudi Press Agency (SPA) reported, says Reuter.

US Senate Appropriations Committee Chairman Robert Byrd said on Tuesday that the United States had only received 36 per cent of Saudi contribution totalling around 15 billion dollars.

COMECON meet in April

BUDAPEST, Mar 21: COMECON representatives will meet in mid-April in Moscow to try to reach consensus on what the former communist trade bloc's successor organisation will do, a Hungarian Minister said, reports Reuter.

Bela Kadar, Minister of International Economic Relations and Hungary's Permanent Representative to the trade group, said members still disagreed whether the new organisation should be purely consultative or have a real say in members' economies.