

### Dhaka to get \$39.5m UN aid for 9 projects

Bangladesh will get 39.45 million US Dollars for nine projects from the United Nations system under the Memorandum of Understanding signed in Dhaka on March 25 by Bangladesh, UNDP and UNCDF, an official handout said, reports ISSS.

Secretary of the Economic Relations Division Enam Ahmed Chaudhury, UNDP Resident Representative in Dhaka Winston Temple and Chief of Programme Division of UNCDF Bernard Dery signed the Memorandum.

The major projects to be aided are: Arameen Bank, agricultural projects, rural infrastructure of greater Rangpur and Kushtia districts, small livestock development, small farmers and landless labourers' projects - Phase 2, credit for cottage industries and integrated aquaculture.

The projects have been designed in conformity with government priorities as embodied in the Fourth Five Year Plan.

### Budget deficit likely to hit China

BEIJING, Mar 27: China's Finance Minister disclosed larger than expected budget deficits and warned this could undermine political stability, reports Reuters.

Wang Bingjian, in an address to the annual session of parliament, painted a black picture of China's finance, announcing a wider than expected budget deficit for 1990 and another big shortfall projected for 1991.

The deficit for calendar 1990 hit 15 billion Yuan (2.9 billion Dollars) six billion Yuan over target - and this year's shortfall is projected at 13.3 billion Yuan.

"In state finances this year we faced with an extremely grim situation and an arduous task," Wang told the National People's Congress. "Failure to fulfil the state budget would produce a very unfortunate impact on continued political and economic stability."

The deficit is even worse under calculations by the International Monetary Fund (IMF), which unlike China does not include foreign and domestic debt as income. Excluding these, the deficit was 50.9 billion Yuan in 1990 and is seen at 48.6 billion this year.

The financial crunch was so bad last year that some local government, mainly at the county level, could not pay staff salaries on time, Wang said.

"People are all very much concerned about our financial problems."

### Transactions thin at DSE

Star Economic Report

Dhaka Stock Exchange (DSE) witnessed on Wednesday thin transactions. Decliners dominated trading on the floor. And DSE All Share Price Index declined to 353.9182 points compared with Monday's 354.4492.

Transactions were closed on Tuesday on the occasion of Independence Day.

In all 4115 shares and debentures changed hands compared with Monday's 5867. Traded issues valued Taka 4,62,328.50 against Monday's Taka 4,33,028.00. Twenty-five stocks were traded. Of them ten lost, eight gained and seven remained unchanged at their previous quoted prices.

Apex Tannery, the lone traded debenture and Rahman Chemicals lost Taka 5.00 each to Taka 1010.00 and Taka 55.00 respectively.

Oxygen declined Taka 150 to Taka 58.50.

Green Delta Insurance, 6th ICB Mutual Fund, Beximco Pharma, Kohinor Chemical, Apex Tannery, G.G. Ball Pen and Usmania Glass lost within the range between Taka 0.33 and Taka 1.00.

Al Baraka Bank advanced Taka 5.00 to Taka 995.00.

Tallu Spinning and the Ibsina gained Taka 3.64 and Taka 3.62 to Taka 125.82 and Taka 85.00 respectively.

Bangladesh Autocars, 5th ICB Mutual Fund, National Tubes, Chittagong Vegetable and Chittagong Cement moved up within the range between Taka 0.12 and Taka 1.65.

### Quoted Prices of Traded Stocks

Stock	100/1	Change
Al Baraka Bank	1000/1	995.00 (+5.00)
4th ICB M. Fund	100/10	148.00 unchanged
5th ICB M. Fund	100/10	127.00 (-0.12)
6th ICB M. Fund	100/10	95.00 (-0.38)
Beximco	100/5	98.00 unchanged
Green Delta	100/10	110.50 (-0.50)
United	100/10	116.00 unchanged
Engineering	100/5	116.00 (+1.65)
National Tubes	100/10	135.00 (+0.33)
Food & Allied	100/10	113.99 (-0.99)
Oil & Power	10/50	58.50 (-1.50)
Oxygen	100/5	100.00 unchanged
Shree Faber-Jute	100/5	94.00 unchanged
Sonali Bank	100/5	65.00 unchanged
Pharmaceuticals	100/5	178.00 (+0.93)
Rahman Chemicals	100/10	55.00 (-5.00)
The Bexima	00/10	85.00 (-3.82)
Tallu Spinning	00/10	125.82 (+3.64)
Miscellaneous	00/5	145.00 (+0.88)
Apex Tannery	100/5	151.18 (+1.18)
G. G. Ball Pen	10/50	58.00 (-1.00)
Usmania Glass	100/5	139.87 (+0.33)
Debitment	1000/1	1010.00 (-5.00)

### Dhaka Stock Exchange Market Profile

March - 27

134 Listed stocks

8 Gains      10 Losers      116 Unchanged

116 Unchanged stocks include seven traded on the day at the previous day's quoted prices.

DSE All Share Price Index = 353.9182

Issued Capital-Taka 4,620,377,190.00

Market Capitalisation = 10,113,302,581.00

Turnover = Taka 4,62,328.50(Value) 4115 (Volume).

## FBCCI places specific suggestions

# Withdrawal of 'hidden taxes' demanded

Star Economic Report

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) demanded on Wednesday the withdrawal of all 'hidden taxes' such as development surcharge, advance income tax, service charge and regulatory duty to make the domestic industry competitive.

The FBCCI President Al-Haj Akram Hossain placed some specific suggestions and drew the attention of the government for immediate remedial actions, at a meeting of the representatives of trade and industry with Industries Minister Shamsul Islam Khan at Federation Bhawan.

Al-Haj Akram Hossain observed that existing fiscal structure was "arbitrary" and "iniquitous" in nature, leading to higher costs of production for domestic industries and, thus, encouraging supplies of smuggled goods. Domestic industries lose their markets and become sick as a result, he said. He mentioned about customs duty and excise duty at high rates and also the 'hidden taxes' in this connection.

The FBCCI Chief called for effective moves by the government to resolve the problems of sick and incomplete industries. Unless their problems are addressed, no new investor will feel encouraged to set up industries, he said. "The problems of sick industries are so massive that emergency actions to rejuvenate them should be the first-order priority of the government", he maintained.

He held Development Financing Institutions (DFIs) partly responsible for widespread industrial sickness in the country. The DFIs had lent funds without any appraisal and are now exerting all kinds of pressure for credit recoveries even though efforts to sale the aided units through action without considering whether the units are at all operating or not, he said. But this has not improved at all credit recovery performance, he added.

The Federation President suggested that Board of Investment (BOI) should focus its attention on sick industries and should not confine its activities to new industries.

He felt that effective steps should be taken by BOI to ensure supply of gas, electricity and other infrastructural support facilities to the units which are given approvals or sanctions. No new industries should be forced to service their debts before going into commercial production. He further pleaded for proper arrangements for supply of adequate working capital, availability of tax holiday facilities and other incentives for industries in time.

The FBCCI President suggested for setting up a high-powered arbitration committee, composed of the representatives of the government agencies, DFIs, industrial borrowers and the federation, to help resolve the credit recovery or other repayment problems. He noted that most disinvested units faced problems because their management practices still followed the same lines as were in operations when they were under government control, due to contractual terms at the time of disinvestment.

Al-Haj Akram Hossain demanded that the re-introduction of Exchange-rate Fluctuation Absorption Scheme (EFAS) to protect the industries from manifold adverse impact of depreciation of currency. The import ceiling for small and cottage industries, allocation of working capital for new industries and, if necessary, initial sanctioned capital for such industries should be raised keeping in view the falling value of Taka against major foreign currencies, he added.

He suggested that an effective statistical cell should be set up to provide all relevant data on industrial operations including sanctions. He pointed out that funds under different aided programmed like Export Development Credits, DEDO etc remained mostly unutilized because of ignorance of actual operations about their uses. Negotiations with the donor agencies including the World Bank should be made for industrial or any other credit programmes keeping the interests of trade and industry into consideration.

### US urged to drop India from hit list

NEW DELHI, Mar 27: India has told the United States to drop it from the 1991 special 301 hit list, according to reports reaching here from Washington, reports Xinhua.

The US had terminated super 301 cases against India last year on grounds that Washington was waiting for the outcome of the Uruguay Round negotiations.

Both the 301 fall under the preview of the omnibus trade act of 1988 to allow Washington unilateral action to sort out irritants in practices of trading partners.

Indian Foreign Secretary Muchkund Dubey, who is now visiting Washington, has taken exception to the US decision to once again put India on this year's special 301.

Dubey also apprised the US trade official of the economic policy of his country.

### Snippets

**Trade deficit to be record high in India**

NEW DELHI, Mar 27: India's trade deficit will be a record high of 120 billion Rupees (6.3 billion Dollars), far from the revised target of 360 billion Rupees (18.9 billion Dollars), reports Xinhua.

Imports will be around 400 billion Rupees (21 billion Dollars), accounting for ten per cent of the total gross domestic product.

The improvement of the situation in 1991-92 will depend on the changes in the international market, according to a market study.

The Asia and Pacific region will offer maximum opportunities for India's exports, the study said.

**Pakistan raises discount rate**

KARACHI (Pakistan), March 27: The State (central) Bank of Pakistan (SBP) raised the discount rate for Treasury Bills to 12 per cent from 10 fixed last month.

The move was immediately welcomed by M.U.A. Usmani, treasurer of the ANZ Grindlays Bank in Pakistan, who said: "It will raise the inter-bank rate up to 11.5 per cent from the present rate of 9.5".

The SBP, which opened a secondary market in debt instruments last month, accepted 1.6 billion Rupees at an average rate of 8.48 per cent per annum at its second auction on March 14.

**Kuwaiti Dinar down slightly**

BAHRAIN, March 27: The central bank of Kuwait fixed the Dinar at 0.28933/43 to the Dollar, down from 0.28755/54 set on Sunday when the new Dinar was issued.

The rate, fixed against a basket of currencies, was fixed to Reuters by the central bank's Foreign Operations Department.

**Gulf war cost airlines \$2b**

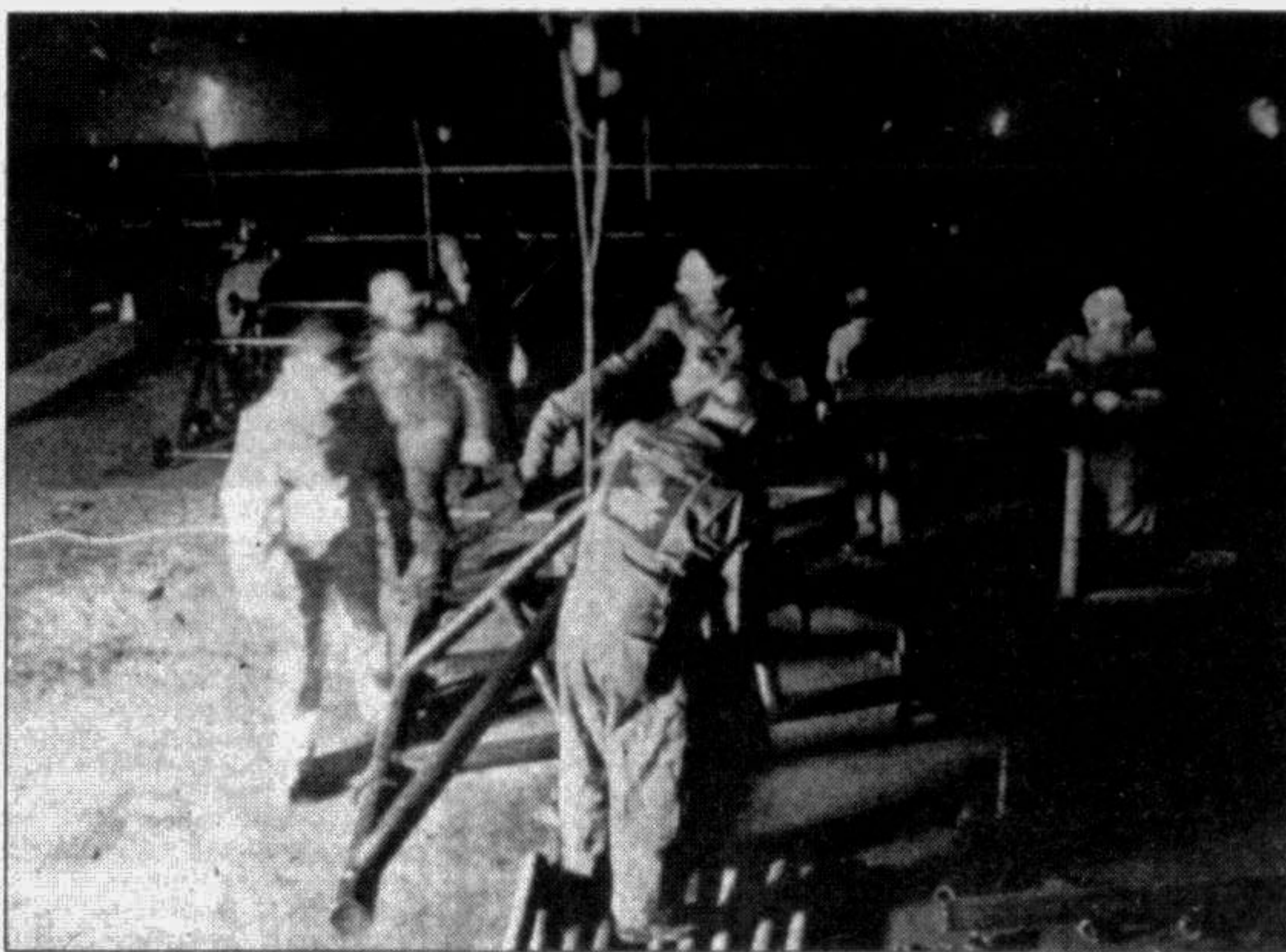
GENEVA, March 27: Airline companies in the International Air Transport Association (IATA) lost two billion Dollars in the first two months of this year because of the Gulf war, IATA said in a statement here Tuesday, reports AFP.

"It is the most difficult period the civil aviation industry has seen in more than 40 years and its effects will make themselves felt for a long time to come", IATA Director General said.

**US war cost to exceed \$54.5b**

WASHINGTON, Mar 27: The White House, challenging estimates in Congress, said Tuesday the cost of the Gulf War will far exceed the \$5.5 billion Dollars pledged by allies, reports AP.

"They're going to be higher than the amounts that are pledged, there's no question about that," Presidential spokesman Marlin Fitzwater said.



SOUTHERN KUWAIT: In complete darkness caused by smoke of burning oilwells, US oil technicians construct an engine March 22 in Ahmadi 25 kms (44 miles) south of Kuwait City. The equipment will help technicians put out the oilwell fires still raging in Kuwait. The photograph was taken at 9-30 in the morning. —Photo APP/UNB

## GATT sees slowdown in world trade growth

GENEVA, Mar 27: Growth in world trade and output is likely to slow for the third successive year in 1991 but global recession is unlikely despite uncertainties in the aftermath of the Gulf War, the GATT trade body said on Tuesday, reports Reuters.

"Although there is no world recession in sight, the outlook for 1991 is clouded by a number of uncertainties, including those stemming from the aftermath of the (February) ceasefire in the Gulf; the General Agreement on Tariffs and Trade (GATT) said in a report.

"Mixed signals make forecasting difficult but lead GATT economists to conclude that a further modest slowdown in the growth of world trade is likely for the year as a whole."

Merchandise trade volume rose by five per cent in 1990, compared with seven per cent in 1989 and 8.5 per cent in 1988. Trade value rose 13 per cent to a record 3.5 trillion Dollars, largely due to a weaker Dollar, the report said.

The trade in commercial and financial services grew an estimated 12 per cent to 770 billion Dollars from 690 billion in 1989, it added.

The report was compiled by the Secretariat of the 101-member GATT from data submitted early in March.

Economic disruption and uncertainty caused by the Gulf crisis contributed to slower economic growth in 1990 but was unlikely to have played an important role, the report said.

"It had been apparent for some time that business investment in the developed countries was being scaled back and that in several of these countries the growth of consumer expenditure was slowing," it said.

## Japanese harbour workers to stage 72-hr strike

TOKYO, Mar 27: Japanese harbor workers will refuse to handle cargo on Sundays starting March 30, boycott container cargo from April 8 and stage a 72-hour strike from April 13 unless their demands are met, union leaders said Wednesday, reports AFP.

The action will go ahead unless port managements come up with an acceptable offer of higher wages and better working conditions, they added.

## Germany ousts US as top exporter

GENEVA, Mar 27: Germany celebrated unification by overtaking the United States as the world's leading exporter in 1990, the GATT world trade body said yesterday, reports Reuters.

A 16.5 per cent rise in the exchange rate of the Mark against the Dollar helped raise the Dollar value of German merchandise exports to 421 billion Dollars, compared with 394 billion for the United States, a report by the General Agreement on Tariffs and Trade Secretariat said.

Unification added 22.5 billion Dollars to German exports in 1990, when all exports of the former East Germany were counted in the overall total.

The United States recorded a greater increase in export volume at 8.5 per cent against only 1.5 per cent for Germany. Japan kept third place with exports up 4.5 per cent to 286 billion Dollars.

The report was a preliminary estimate of world commerce in 1990 compiled by the secretariat of the 101-nation GATT from data on hand in early March. The secretariat routinely updates its assessment later when fuller trade details are available.

Saudi Arabia recorded the biggest jump in export rankings to 21st place from 25th as earnings rose by nearly 40 per cent to 39 billion Dollars, due to sharply higher oil exports and prices for crude oil.

All western Europe apart from Sweden boosted export values well above the average world increase of 13 per cent, with currency appreciation against the Dollar playing an important role.

Austria had the highest growth among the top 25 exporters with an increase of 28 per cent in value over 1989, helped by surging exports to Germany. Brazil and the Soviet Union recorded absolute declines of nine and 5.5 per cent, respectively.

China's imports fell in value by 8.5 per cent while exports grew 18 per cent, resulting in a shift in its trade balance to an eight billion Dollar surplus.

## 4 S. African states sign blueprint Step to build gigantic common market

ASUNCION (Paraguay), Mar 27: The presidents of Brazil, Argentina, Paraguay and Uruguay signed a blueprint Tuesday to build a gigantic common market - stretching from the Equator to the Antarctic - to compete with other world trading blocs, reports Reuters.

The southern common market treaty, known as Mercosur, would dismantle trade barriers and encourage cross-border investment and joint projects over the next four years. It aims to integrate neighbouring nations that have been stunted by protectionism, rivalry and political instability.

"The American dream is becoming reality. The year 1995 will find us united and not dominated," said Argentina President Carlos Menem.

Mercosur's architects hope that with cooperation instead of competition, the South American nations can channel their immense natural resources into sustained development and prosperity, overcoming widespread economic troubles.

The four countries have a combined gross national product of 400 billion Dollars and a fast-growing population of 180 million.

## Bids for 91-day B. Bank Bill

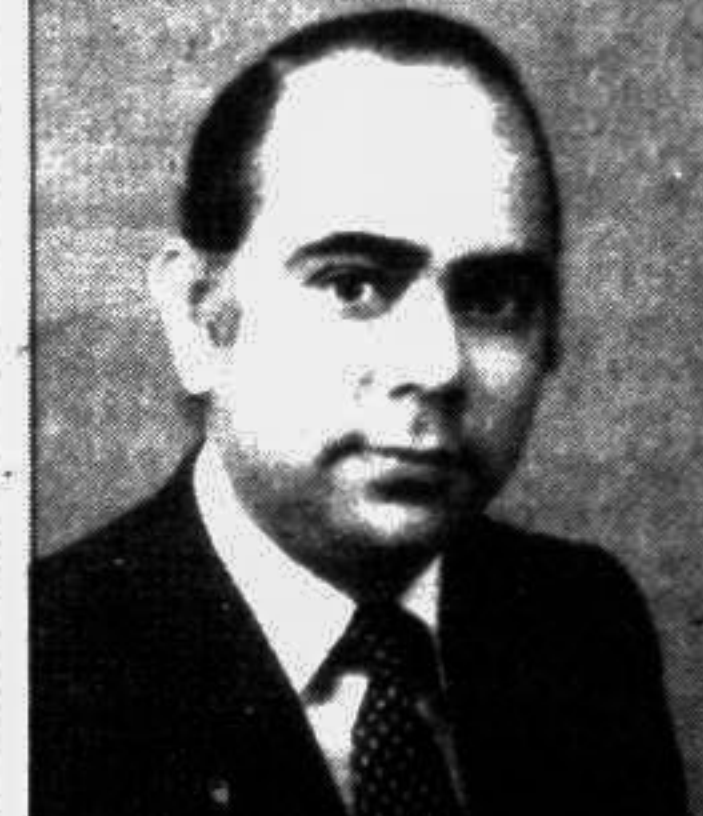
Star Economic Report

Four bids for a total amount of Taka 200 million were received at the 4th auction of the 91-day Bangladesh Bank Bill held on March 25, 1991, a press release of Bangladesh Bank said. All the four bids were accepted. The weighted average price of the accepted bids was Taka 97.83.

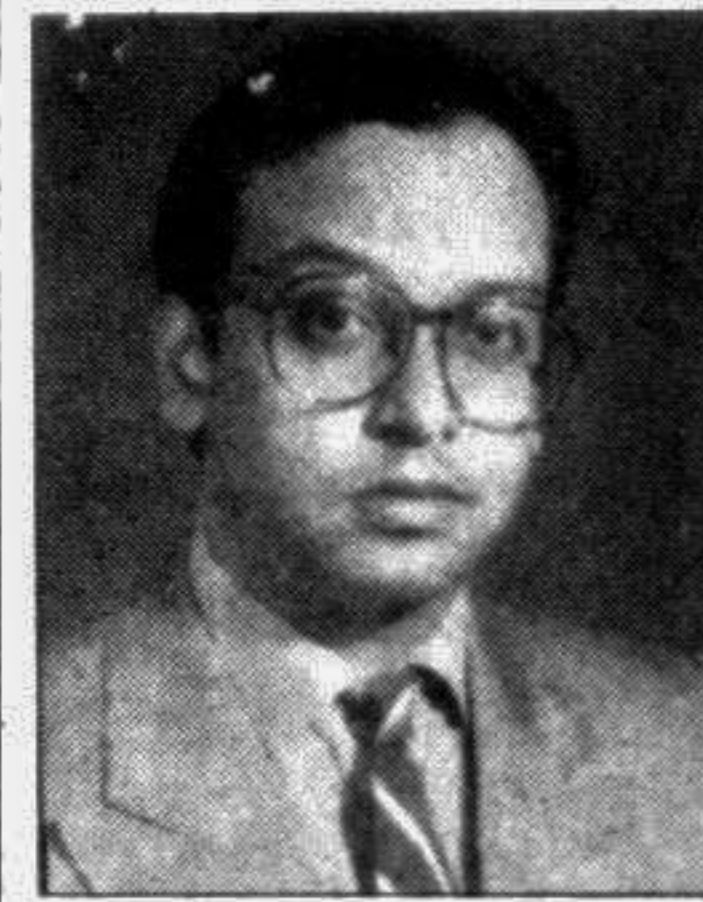
The corresponding yield was Taka 8.92 per annum.

## DCCI executives

The newly elected functionaries of Dhaka Chamber of Commerce and Industry were inducted to offer following Annual General Meeting of the Chamber held on March 24.



Mahabur Rahman, President



Masudur Rahman, Senior Vice President



Md. Ismail Hossain Miah, Vice President

## TENDER NOTICE

- Tender No. : 15/1990/91
- Name of work : Coastal Embankment Revetment Rehabilitation by placing boulders in iron crates in Polder 62 Dist. Chittagong. Group-A from ch. 68.00 to 78.00 Group-B from ch. 79.00 to 90.50 Group-C from ch. 90.50 to 95.50 Group-D from ch. 96.70 to 102.00
- Estimated cost : Group-A=Tk. 16,15,144/= Group-B= Tk. 20,32,996/- Group-C= Tk. 13,20,315/- Group-D=Tk. 16,88,256/-
- Earnest money : 2% of the quoted amount.
- Date of receiving tender & time : From 02-4-91 to 04-4-91 upto 12-00 Noon.
- Date of opening tender & time : 04-4-91 at 1-00 P. M.
- Class of Contractor : A & B Class enlisted contractor of BWDB.
- Name and address of office where the tender documents will be available : 1) Sonali Bank Bahadderhat Branch, Chittagong. 2) Sonali Bank WAPDA Branch Mujibhel, Dhaka. 3) Executive Engineer, Muhuri O & M Division, Feni.
- Name and address of advertiser : Executive Engineer, Chittagong O & M Division-I, BWDB, Bahadderhat, Chittagong.

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