

### French wheat consignment due Mar 30

A consignment of 17,000 metric tons of wheat in bulk from the French government as grant to Bangladesh is scheduled to arrive at Chittagong port on March 30, a French Embassy press release said in city Thursday, reports BSS.

The wheat has been given as a token of friendship from France 1973, Bangladesh has received a total of 277,174 tons of wheat from France as food aid.

### Japan offers \$176m to Egypt as loan

CAIRO, Mar 28: Japan, seeking to help countries worst hit by the Gulf crisis, has offered Egypt a 176-million-Dollar soft loan to finance commodity imports, a Japanese Embassy official said on Wednesday, reports Reuter.

Egypt could use the loan, offered in Yen, to finance past or future imports and there were no strings attached on the origins of goods purchased, the official added.

The final value of the loan, carrying an interest rate of one per cent and repayable over 20 years with a 10-year grace period, could change according to exchange rate, he said.

Egypt says the Gulf crisis cost it billions of Dollars in lost tourism receipts, lost transfers from Egyptian expatriates in the Gulf and lost Suez Canal revenue.

### Transactions decline further at Dhaka bourse

Star Economic Report

Transactions declined further on the closing day of the week on Thursday at Dhaka bourse. Most of the traded issues declined, but advances involved more transactions in volume terms. As a result the Dhaka Stock Exchange (DSE) All Share Price Index moved up to 354,078.2 points compared with Wednesday's 353,918.2.

In all 3136 shares and debentures changed hands compared with Wednesday's 4115. Traded issues valued Taka 1,81,730.00 against the previous day's 4,62,329.00.

Nineteen stocks were traded. Of them eight lost, six gained and five remained unchanged at their previous quoted prices.

Among the advances National Bank and Beximco Pharma moved up Taka 4.00 and Taka 1.25 to Taka 118.00 and Taka 176.33 respectively.

Green Delta Insurance, Eagle Star, Bata Shoe and Umanisa Glass gained within the range between Taka 0.04 and Taka 0.74.

On the decliners side Monosopul Paper got the major slash. It lost Taka 25.00 to Taka 100.00.

Quasem Silk, the lone traded debenture declined Taka 1.67 to Taka 1565.00.

Bangladesh Thai Aluminium, 5th ICB Mutual Fund, Quasem Drycells, Renwick Jajneswar Tally Spinning and Apex Tannery lost within the range between Taka 0.01 and Taka 1.00.

### Quoted Prices of Traded Stocks

Bank	FV/ML	Closing	Change
(Taka)	(Taka)	(Taka)	(Taka)
Al Banka Bank	100/1	995.00	Unchanged
National Bank	100/5	118.00	(+4.00)
Investment	100/10	126.00	(+1.00)
5th ICB Mutual Fund	100/10	95.00	Unchanged
Green Delta Insurance	100/10	111.00	(+0.30)
IGIC	100/10	111.00	Unchanged
Green Delta	100/10	111.00	(+0.30)
Engineering	100/10	95.00	(-1.00)
5th ICB Aluminium	100/10	8.00	(-1.01)
Quasem Drycells	100/5	66.00	(-1.00)
Renwick Jajneswar	100/5	66.00	(-1.00)
Food & Allied	100/5	160.00	Unchanged
Pharma & Chem	100/5	176.33	(+1.25)
Business Pharms	100/5	65.00	Unchanged
The Shoina	100/5	65.00	Unchanged
Paper & Printing	100/5	100.00	(-25.00)
Textile	10/50	35.00	(+0.74)
Single Star	100/10	125.00	(-0.82)
Tally Spinning	100/10	125.00	(-0.82)
Miscellaneous	100/5	144.00	(-0.50)
Apex Tannery	10/100	42.04	(+0.04)
Bata Shoe	100/10	140.00	(-0.33)
Umanisa Glass	100/10	140.00	(-0.33)
Debitables	3000/1	1565.00	(-1.87)
Quasem Silk	1000/1	1565.00	(-1.87)

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

### Dhaka Stock Exchange Market Profile

March - 28

134 Listed stocks

6 Gains      8 Losers      120 Unchanged

120 Unchanged stocks include five traded on the day at the previous day's quoted prices.  
DSE All Share Price Index = 354,078.2  
Issued Capital-Taka 4,620,377,190.00  
Market Capitalisation = 10,117,876,521.00  
Turnover = Taka 1,81,730.00 (Value) 3136 (Volume).

# Electronics industry faces deep crisis

By Enamul Huq

Country's electronics industry is in deep crisis due to fund shortage, smuggling and heavy duties on the products.

A study conducted by the Harvard Institute for International Development (HIID) for Planning Commission suggests ways and means to overcome the problems.

The other problems are poor demand growth, needs for research and development, training facilities, skill development, standards and improvement of import policy, according to the study.

The suggestions included:

(i) Lowering customs duty to 10 per cent and the withdrawal of sale tax.

(ii) Introduction of procedure of self-assessment for industrial raw materials, machineries and spares based on import documents.

(iii) Bringing down customs duty on plastic moulding compound and withdrawal of sale tax.

(iv) A high power electronics research and development standing committee should be set up under the National Council of Science and Technology. The Committee should have responsibility of

identification of problems in electronics and related areas, finding suitable manpower in the existing institutions having the required ability to undertake their solution, and funding of the same. At least 20 per cent of the funds should be spent in basic research.

(v) Establishment for properly organised and staffed institutional linkage to bridge the gap between research and development centres and industry.

(vi) For successful development of export of electronics goods, it is necessary for Bangladesh to fulfil the 35 per cent value added requirement of the Generalised Scheme of Preferences (GSP) of the United Nations General Agreement on Tariffs and Trade (GATT) for duty free entry to USA, EEC and Australia. Instead of depending of imported components for ever, electronics industries in Bangladesh must make as solid foundation by manufacturing components.

(vii) Charges of electricity, telephone, municipal tax, duties, construction costs should be brought down to reasonable level for new industries to be successful.

The electronics industry in Bangladesh is about three decades old. During the five years after the liberation, no new electronic industry was established. With the trio of industrial, tariff and import policies, between 1986 and 1988, over 700 new industrial units have been registered in the electronics sector.

Of them, about 20 units are manufacturing television receivers, five intercom, and private branch exchanges and 25 video cassette players and a few units watches, audio regulators, power supply and other household gadgets.

The National Board of Revenue has enhanced the customs duty to 20 per cent and imposed sale tax of 10 per cent on electronics parts and components with effect from March 15, 1990. As a result the sector faces crisis.

The electronics industry in Bangladesh is mostly involved with the domestic market, confining to manual processed labour intensive assembly operations based on imported components.

The study was conducted by Abdus. Sattar Syed in mid-1990.



Teenage female workers at a garment factory in the city handling an electronic machine on the production line. —Star photo

## Embargo on Iraq costs \$3b 21 states ask donors for emergency aid

NEW YORK (United Nations), Mar 28: Representatives of 21 countries told the Security Council Wednesday that the embargo Iraq cost them three billion dollars, reports AFP.

The 21 nations affected by the trade ban called on other nations and international financial institutions to respond "commensurate with the urgent needs of the affected countries."

The letter was signed by the Ambassadors of Bangladesh, Bulgaria, Djibouti, India, Jordan, Lebanon, Mauritania, Pakistan, Philippines, Poland, Syria, Romania, Seychelles, Sudan, Sri Lanka, Czechoslovakia, Tunisia, Uruguay, Vietnam, Yemen and Yugoslavia.

The problems affected these countries persist, and in certain respects, have been aggravated," said the letter, which called on donor countries of emergency economic assistance to the affected countries.

It was the first time the 21 countries have pressed their demands as a group and they said they did so because they had been "forgotten" despite making considerable efforts to free Kuwait.

Direct supply of food to Iraqis sought

Reuter from Damascus adds: An Iraqi opposition group appealed to relief agencies on Wednesday to bypass President Saddam Hussein's government and distribute aid directly to the Iraqi people.

A spokesman for the Islamic Action Organisation, a Shi'ite group, said in a statement UN plans to deliver aid to Iraq through Jordan "means the aid will be distributed by the regime to its followers while the rest of people get nothing."

The IAO spokesman said aid should reach "all parts of Iraq and all of its people—directly, not through the Iraqi authorities."

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## Big queue for exchanging old Kuwaiti Dinar

KUWAIT CITY, Mar 28: Hundreds of Kuwaitis stood in line this week to exchange their old money for a new post-invasion currency as banking resumed since the Iraqis were forced out of Kuwait.

A new currency was introduced March 24 which invalidated hundreds of millions of dollars worth of Kuwaiti dinars looted by Iraqi forces during their occupation of Kuwait, reports USIS.

The exchange process appeared orderly, but slow. At a Gulf Bank branch in the Abdulla al-Salim area of Kuwait City, customers complained of having to wait all day just to receive a number for the next day's line.

Many banks did not have computer systems up because electricity is still unreliable in Kuwait City. And, due to staff shortages, only 56 of Kuwait's 180 bank branches opened March 24.

At the cooperative branch of the Gulf Bank in the Salmiya section of Kuwait City, customers crowded in front of the window to copy down the posted list of canceled serial numbers, which will not be accepted for exchange.

## Strong exports ease US recession

WASHINGTON, Mar 28: Strong exports softened the US economy's slide into recession in the final three months of 1990, a Commerce Department report published on Wednesday said, reports Reuter.

Some analysts said the continuing strength in foreign trade might halt the recession of the US economy, the world's largest, by mid-year.

The economy shrank at a 1.6 per cent annual rate in the final quarter of 1990 instead of the previously estimated two per cent rate, said the report on gross national product, which measures the output of total goods and services.

Exports were higher than estimated a month ago and imports plunged more sharply as recession dampened hard-pressed wage-earners appetite for items like Japanese cars.

Exports rose 16.7 billion Dollars in the fourth quarter, up from 10.9 billion Dollars in the third quarter.

At the same time, imports fell 21 billion Dollars in the quarter, compared to a drop of 17.1 billion Dollars previously estimated. Imports grew 12.3 billion Dollars in the third quarter.

The economy is expected to contract again in the current quarter, thus meeting the traditional definition of recession—two straight quarters of declining goods and services output.

The administration of President George Bush has said it hopes the recession will be short and that solid growth will begin in the second half.

The first look at the economy's overall GNP performance will not be available for another month. But Treasury Secretary Nicholas Brady claimed on Wednesday it was already on the mend from a bout of recession.

The Treasury Secretary also has been calling for further cuts in interest rates to spur the economy on.

Most private analysts are cautious about the likely strength of a recovery, notwithstanding signs that consumer confidence rebounded strongly in March after the war with Iraq.

The national unemployment rate hit a four-year high of 6.5 per cent in February.

For all of 1990 the economy grew at one per cent, its poorest performance since the recession year 1982, when it declined 2.5 per cent.

## Weaker Japan economy spells growing trade surplus

TOKYO, Mar 28: Japan's slowing economy promises to reverse years of progress in trimming the nation's trade surplus, inflaming tender trade relations between Tokyo and world capitals, reports Reuter.

Weaker domestic demand would slash foreign imports, crippling international attempts to reduce trade imbalances by selling more in Japan, economists said.

"A slowdown in the domestic economy is going to give the United States and other ample opportunity to accuse Japan of not playing fair in international trade," said Soichi Enkyo, Senior Economist at the Bank of Tokyo Ltd.

Though economists' opinions vary, many believe the trade gap can only widen. Japan's customs cleared merchandise trade surplus has narrowed every calendar year from a peak in 1986 of 82.7 billion Dollars to 42.4 billion in 1990.

Economists polled by Reuter predicted on average

that the trade surplus could easily climb to more than 60 billion Dollars by the end of this calendar year.

The reversal in Japan's trading fortunes appears already to be under way, February marked the second consecutive month in which Japan's trade surplus widened — in contrast to the last four months of 1990, when the surplus shrank.

That spells trouble for attempts by the United States and others to solve trade imbalances by selling more goods in Japan.

Led by a weaker economic performance, Japan's import growth could slow to 3.0 to 4.0 per cent this calendar year against 11.2 per cent last year, economists said.

Japan's Gross National Product (GNP) growth is expected to slow to around 3.8 per cent in fiscal 1991/92 against government forecasts of 5.2 per cent for the fiscal year that ends on March 31.

Structural changes in what

Japan buys from overseas leave imports vulnerable to such cyclical effects, economists said.

Whereas manufactured goods comprised only about 30 per cent of imports in 1986, they now comprise about half.

"More than years gone by, an economic slowdown could take a bite out of imports."

Moreover, oil import prices, which soared last year in anticipation of war in the Gulf to average 34.15 Dollars per barrel in November 1990, have since stabilised at about 20 Dollars, further lowering Japan's import bill.

Exports, the other side of the trade equation, should also slow this year, but will remain healthier than domestic demand.

"Exports are performing surprisingly well and should continue to do so," said Teizo Taya, Chief Economist at Daiwa Institute of Research Ltd.

Economists said Tokyo had diversified its trading base, expanding trade with Europe and fast-growing Asia, and cutting the US share.

## Bangladesh Bank's clarification

Star Economic Report

Bangladesh Bank in a clarification on its Wednesday's press release said on Thursday that the lowering of minimum statutory cash reserve requirement for the scheduled banks to nine per cent from 10 per cent of this deposit liabilities would lead to increase in overall lendable funds by Taka 200 crores, not Taka 2000 crores.

The amount was inadvertently mentioned as Taka 2000 crores by Bangladesh Bank in its press release on Wednesday.

## Iran moving away from Islamic policies

DUBAI, Mar 28: Iranian central bank officials, moving away from Islamic policies adopted after the 1979 revolution, say Tehran has firm long-term plans to deal with its economic problems, reports Reuter.

Plans over the past two years to control inflation, resuscitate the currency, streamline bureaucracy and stimulate the private sector are bearing fruit, officials of the Bank's international department said in a report.

"Iran is gradually returning to international acceptability, but beating its domestic problems is just as important."

The Bank's Research Team said in the report that inflation is in single figures, and excess money that the government printed in the hope of spending its way out of trouble is being gradually soaked up by stricter monetary policies.

Targets include simplifying bureaucratic formalities, and reducing direct involvement of government in the economy.

The report said the 1989-93 Five-Year Plan encouraged participation by the private sector, including the sale of state enterprises and reactivation of the Tehran Stock Exchange.

"These objectives could not be attained without implementing proper long-term policies", the report said.

## Asia needs more container ports to meet growth

SINGAPORE, Mar 28: Asia needs more container ports and advanced ship handling facilities to support the region's fast economic growth, Singapore's Minister of State for Trade and Industry Mah Bow Tan said on Tuesday, reports Reuter.

"Economic development will change the nature as well as the volume of trade," Mah said opening a three-day international conference on the maritime industry.

Asia's exports of unprocessed commodities and raw materials would diminish in importance, while exports of semi-finished or finished products would grow, he told the 300 conference delegates.

The shift calls for ships that can handle standardised cargo with higher value, which means that a greater proportion of the cargo from the region will be containerised," he said.

The minister said some industry sources had predicted intra-Asian seaborne trade would double to 100 million tonnes by the end of the decade.

Mah said an emerging trend in shipping towards larger and faster vessels would influence port development in the next 10 to 15 years.

## Snippets

### Sri Lanka presents tea to Kuwait

COLOMBO, Mar 28: The Sri Lankan government has decided to gift 2,000 kilograms of tea to the government of the state of Kuwait as an emergency food relief, according to a communique of the Foreign Affairs Ministry here, reports Xinhua.

The communique described it as a modest contribution by Sri Lanka towards the rehabilitation efforts now under way by the government of Kuwait.

### 3 states may resume commercial whaling

LONDON, Mar 28: At least three countries may resume commercial whaling this year after a five-year ban comes up for review at International Whaling Commission talks in Iceland in May, reports Reuter.

Conservationists and anti-whaling groups hope the 36-nation International Whaling Commission (IWC) will decide against ending the ban. But they fear Japan, Norway and Iceland might then leave the IWC and hunt unilaterally.

### Pakistan to build new sea port

ISLAMABAD, Mar 28: The Pakistani Cabinet approved on Wednesday a plan to build the country's third sea port at Qwadar on the Arabian Sea by 1995, reports Reuter.

The port, on the coast of the southwestern province of Baluchistan bordering Iran and Afghanistan would cost two billion Rupees (90 million dollars), a government spokesman said after a Cabinet meeting called by Prime Minister Nawaz Sharif.

### Japan rejects US criticism

TOKYO, Mar 28: Japan's Agriculture Minister rejected on Wednesday US criticism of Japanese attempts to prevent US rice growers displaying their wares at a recent Tokyo trade show, reports Reuter.

The American criticism of Japan's ban on all commercial rice imports flared again two weeks ago when the government pressured US rice growers to stop displaying rice samples at an international food fair in suburban Tokyo.

Japan told US trade officials that displaying foreign rice in a business-oriented trade fair was a clear violation of Japan's food control law.

### NZ to start sheep trade with ME

WELLINGTON, Mar 28: New Zealand's multi-million Dollar live sheep trade with the Middle East is to resume after the government halted it last December, Agriculture Minister John Falloon said here Thursday, reports AFP.

Saudi Arabian health authorities in December rejected a shipment of 65,000 sheep on what New Zealand claimed were technical grounds.

The sheep were eventually off-loaded in Jordan with a clean bill of health.

New Zealand had been annually exporting to the Middle East around one million sheep worth between 35 million New Zealand Dollars (20 million US) and 40 million Dollars (23 million US).

### Romanian govt asked to postpone price hike

BUCHAREST, (Romania) Mar 28: Three leading opposition parties demanded Wednesday that the government postpone price hikes scheduled to take effect next week, state television announced, reports AP.

On April 1, price reforms on basic foodstuffs are to go into effect. They are a key element of the government's economic reforms.

The government also plans to devalue the national currency April 1, to hasten convertibility and meet demands of Western banks, a top official said.

### US oil crew caps 'an easy one'

KUWAIT, Mar 28: American experts have stanchoned their first Kuwaiti oil well—"an easy one" that was spewing 15,000 barrels of crude a day but was not on fire.

"We opened a master valve and pumped in mud. It took about 20 minutes to kill it. Then we put a valve back on it," capping specialist Joe Bowden Jr told Reuter on Wednesday. "This was an easy one."

Hundreds of wells were blown up by the Iraqi occupation troops before they were driven out of Kuwait last month. Most are burning—the biggest oil disaster in history.

Five firms of American experts are in Kuwait to fight the fire. They can not start on burning wells until all their equipment arrives and water is supplied to the oil fields.



## New Chairman of Peoples Insurance

Nazmul Ahsan Khaled has been elected Chairman of Peoples Insurance Company Limited for the year-1991 in the meeting of the Board of Directors of the Company held recently, says a Press release.

Nazmul Ahsan Khaled was born in April 10, 1940 and obtained graduation degree in Mechanical Engineering from Bangladesh University of Engineering and Technology in 1963.

At present, he is Managing Director of Khaled Shipping Lines Limited, Mohammadi Navigation Limited, Mohammadi Navigation Limited, Moonlight Garments Limited, Ehsan Garments Limited and Engineers Enterprise Limited.

## Death anniversary

The first death anniversary of A F M Rafiqul Qadir former Senior Vice President of National Bank Ltd will be observed today (Friday). Quran Khawnt and Milad Mahfil have been arranged after Jumma prayer at his residence at Road No. 4, House No. 3, Banani, Dhaka.



Albert Agbonyitor (left), economist, Country Operations Division, Country Department 1, Asia region, World Bank, holding discussions on matters relating to the problems of private sector, jute industries and other related issues with Mahbubur Rahman (right) President, Dhaka Chamber of Commerce and Industry (DCCI) recently at the DCCI office.