

Govt committed to free market economy: Keramat

Star Economic Report

Commerce Minister Keramat Ali told the members of Bangladesh Chambers of Industries (BCI) on Tuesday that the interests of domestic industry would be "duly protected" by the government.

Exchanging views on various problems facing the business and industry at the BCI office, the minister said that the government, formed by Bangladesh Nationalist Party (BNP), "is committed to open a market economy". But it will certainly look after the interests of local industry and the business community, besides the consumers, he added.

In his address of welcome, BCI President Subid Ali stressed the need for effective incentives for an export-led industrial growth process. He criticised the policy of currency rate depreciation and observed that this would hardly contribute anything to export increase. Such a measure will only cause inflationary pressure getting stronger, he added.

Criticising the World Bank prescription with a set of tough and stiff conditions for so-called economic reforms, the BCI president observed that such conditions would not anyway help expand the country's manufacturing base. These, he said, will only perpetuate the least developed character of the economy.

The BCI members at the meeting criticised strongly the World Bank pressure to go for

an all-out liberalisation of imports. Any blanket liberalisation will cause a crippling blow to the local industry, they noted while pleading strongly for effective protection in all deserving cases to the nascent local industries.

The members of BCI, representing both private and public sectors, also expressed their strong resentment over the "obliging" attitude in some official quarters to accommodate World Bank views and recommendations even if the "are detrimental to the genuine needs and requirements" of the country. Any blind acceptance of the World Bank conditions without a critical examination of their implications will only compound the country's economic situation, they observed.

Denouncing the policy of open import, the entrepreneurs and industrial leaders said only tariff protection cannot be the lone safeguard for the local industries, if no import restrictions in appropriate cases are imposed.

They cautioned, the country

will remain dependent on imports if the World Bank is allowed to interfere in the policy formulation of export, import, industry and finance.

Replying to the demands of the BCI representatives, the Commerce Minister said that the government would look after the genuine interests of domestic industry. He assured them that the facilities for business trips by the exporters would be expanded. The Bangladesh missions abroad will be directed to explore export markets of the country's products in an effective manner, he added.

Commerce Secretary Nasimuddin Ahmed, Chief Controller of Imports and Exports, Vice-Chairman of Export Promotion Bureau and representatives of Tariff Commissions and other government departments were present at the meeting.

Among the BCI representatives, Ali Ahmed Khan, Prof. Mazharul Islam, Md. Nefarur Rahman, Mohammad Masud Ali Khan, Al-haj Abdur Rashid,

A. Hasanat Khan, and Md. Najmul Islam took part in the discussion.

UNB adds: Responding to the argument of the industrialists at the meeting with the representatives of BCI, the Commerce Minister said the BNP government has been very much vigilant to contain smuggling since it came into power.

BNP is committed to check smuggling and corruption as per its election manifesto. Keramat said assuring that results of the government's anti-smuggling drive would be visible soon.

Contradicting the argument over World Bank prescriptions, Commerce Secretary Nasimuddin Ahmed said any suggestion contrary to national interest is not accepted.

Ahmed also questioned why industrial sector could not show significant performance despite enjoying full protection during the last decade.

BCI president Subid Ali suggested at the meeting establishment of closer business link with Taiwan.



US Ambassador William B. Milam presents a carton of surgical supplies to Minister for Health and Family Welfare, Chowdhury Kamal Ibne Yusuf, at the Bangladesh Secretariat April 30. The presentation is a part of a consignment of medical and surgical equipment worth two million dollar donated to the Ministry as humanitarian relief by the United States government. The donated medical supplies, transported by special US airlift, total nearly three metric tons and include stethoscopes, sponges, gauze bandages, scissors, and other surgical implements.

Gulf economies hostage to political instability

DUBAI, Apr 30: It's not boom anymore in the Gulf, but it's not boom either. As post-war euphoria subsides, the rich Gulf Arab oil economies remain hostage to political instability and uncertainty, say regional bankers, reports Reuter.

Despite Iraq's defeat in the war over Kuwait, international banks and business are turning a jaundiced eye on the region, and many are deciding their money is best kept safe at home for now.

Until the instability that plagues the region is solved, all Gulf Arab states will have to rely primarily on their government treasuries to lead their economies, bankers said.

FBCCI call to help cyclone victims

Star Economic Report

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has called upon all industrialists, businessmen, wealthy people and social workers to help the people affected by the devastating cyclonic storm and tidal surge.

An emergency meeting of the executive committee of FBCCI held on Tuesday at the federation auditorium with FBCCI President Alhaj Md. Akram Hossain in the chair decided to conduct relief work on behalf of all chambers and associations registered with the federation. It called upon all members of the federation and industrialists, businessmen and wealthy people of the country to send relief materials/cash money to the relief fund of the federation.

The meeting also decided to act in coordination with the government relief programme and relief team. It will also help the government in reaching the federation's relief materials to the affected people.

N'ganj chamber expresses sorrow
Alhaj Md. Fazlur Rahman, President, Narayanganj Chamber of Commerce and Industry has expressed deep sorrow at the loss of life and property in the cyclone.

In a statement on Tuesday, he said the businessmen and industrialists of Narayanganj have decided to send relief materials for the cyclone-hit people.

Snippets

Downward revision of Indian Rupee

BOMBAY, Apr 30: The Reserve Bank of India (RBI) on Monday afternoon announced a downward revision of the Rupee by 0.26 per cent in relation to the pound sterling making the British unit costlier by nine paise, reports PTI.

The new middle rate now works out to Rs. 33.90 per sterling as against Rs 33.81 earlier.

The buying and selling rates for spot delivery are 2.9573 and 2.9425 sterling per Rs 100 corresponding to Rs 33.81 and Rs. 33.99 per sterling respectively.

Bahrain Minister made GIB Chairman

MANAMA (BAHRAIN), Apr 30: Gulf International Bank (GIB) has appointed Bahrain's Finance and National Economy Minister Ibrahim Abdel Karim as Chairman of the Board of Directors, reports Reuter.

He replaces Bahrain's Monetary Agency Governor Abdulla Saif.

The Bahrain based GIB is jointly owned by Saudi Arabia, Kuwait, Oman, Qatar, the United Arab Emirates, Bahrain and Iraq.

India to enter data storage market

NEW DELHI, Apr 30: India is soon expected to enter the global data storage market with an indigenous Magneto Optic (MO) disk, a technology which threatens to render the conventional floppies and hard disks redundant, the Press Trust of India (PTI) reported Monday, says Xinhua.

Successful laboratory tests have shown that it is now possible to manufacture such a disk soon giving the country a leading edge over competitors in the world market which is expected to cross billion US dollars by 1995 scientists at the center for development of Telematics (C-Dot) told PTI.

Indonesia seeks foreign loans

JAKARTA, Apr 30: Indonesia is seeking additional funds from the international money market to replace expiring stand by credits, the official news agency Antara quoted Central Bank Governor Adrianus Mooy as saying, reports Reuter.

He told Antara in New York that Indonesia had stand-by credits of around two billion dirr, some of which were close to maturity.

That is why we're trying to find some replacement, it should not be interpreted that Indonesia is facing financial difficulties, Mooy said.

Iraqi Dinar picks up in Jordan

AMMAN, Apr 30: The Iraqi currency is picking up at the Jordanian market after plunging to a record low during the Gulf War, reports Xinhua.

The Iraqi Dinar was traded Saturday and Sunday at a price of 100 to 105 fils in Jordanian currency (1 Jordanian Dinar equals 1,000 fils) at the Kingdom's market, compared with the record low of 80-90 fils following the outbreak of the Gulf War in mid-January. Bankers here linked the recovery, first reported last week, to the formal ceasefire of the Gulf war taking effect on April 11.

India to initiate trade talks with US

NEW DELHI, Apr 30: Talks with United States on its decision to put India under the special 301 Act of its trade law would in all likelihood be initiated by the New Government, reports PTI.

This became apparent when an official spokesman said that talks on the thorny issue with the United States would be opened only around the middle of the year.

As per a Washington announcement, the US Trade Department could impose retaliatory trade sanction against India, China and Thailand for violating US intellectual property rights like patents, copyrights and trade marks.

Economic growth in Norway forecast

OSLO, Apr 30: The Norwegian Employers Organisation forecast Norway's economic growth would quicken to 2.5 pct in 1992, while low inflation would pave the way for lower interest rates, reports Reuter.

"Gross domestic product is set to expand by 2.3 pct this year and by 2.5 pct next year as a result of greater growth in domestic demand," the Confederation of Norwegian Business and Industry said in a half-yearly report.

13 p.c. rise in export earnings

By Inam Ahmed

The export earning in the first three quarters of fiscal 1990-91 was 1316 million Dollar. This amount registered a growth of over 13 per cent than the corresponding period of last fiscal.

This three quarter's achievement was also higher than the set target of 1300 million Dollar.

During the period, garments sector played a dominant role in giving a phlip to export earning. Garments earned 540 million Dollar, the amount was 486 million Dollar last year.

Raw jute and jute goods was the next big earner with over 306 million Dollar earning. Earning from jute remained almost unchanged than last year's corresponding period. Raw jute price gained over 10 Dollars a bale this year, but jute goods price fell by 25 Dollar per ton.

The frozen food sector also showed an upward trend with 112 million Dollar earning. Last year's earning was 96 million Dollar. The volumetric ex-

port this year increased by about 7 million pound. However, unit price dropped slightly from 2.69 to 2.62 Dollar during this three quarter.

In the frozen food sector, shrimp alone captured 101 million Dollar. Frogleg export was banned due to environmental hazard.

Leather bagged 108 million Dollar with a volumetric export of about 82 million square feet. Last year's earning in the corresponding period was 140 million Dollar. The volume of export rose to 121 million square feet. The volume and total earning dropped because of ban on export of wet blue leather.

But however, unit price of leather increased due to this ban. This year's leather price was 1.33 Dollar per square foot. Last year it was 1.16 Dollar.

Export earning from tea also increased from 34 million Dollar last year's three quarter to 40 million Dollar this year's corresponding period. volu-

metric export also stood at 24 million kilogram, an increase of 5 million kg than last year.

Bangladesh exported fertilizer worth about 33 million Dollar. Last year it was only 10 million Dollar. But the country lost valuable foreign currency as it failed to secure good market price. Each metric ton of fertilizer was exported for 128 Dollar. The price was 166

Call money market

Star Economic Report

Money rates in the Call money market during the week ending on April 30 ranged between 10 per cent to 12.25 per cent. During the same week interest rates offered by the Bank on Certificate of Deposits varied from 9.50 per cent to 14.50 per cent. The bank rate, however, remained unchanged at 9.75 per cent.

World Bank to address urban problems

WASHINGTON, Apr 30: The World Bank (WB) said Monday it will shift from financing low-cost projects in the developing world's cities in favour of large-scale efforts it hopes will better address urban problems, reports AP.

The international lending institution's policy will focus on fighting poverty and pollution while increasing the productivity of the 1.3 billion people who live in exploding Third World cities.

For too long, government efforts supported by lenders have addressed urban growth and poverty by backing low-cost shelter, water supply, sanitation and transit projects, said a report by Michael A. Cohen, chief of the bank's Urban Development Division.

Such projects "have not had major impact on the policies of national and local governments and the broader issues of managing the urban economy", the report said.

G-7 agrees on common goal of lower interest rate but doesn't signal route

WASHINGTON, Apr 30: The United States lost its battle on Sunday to persuade its major industrial allies to immediately lower interest rates to spur global economic growth, but American officials signalled that they hoped to win the war, reports Reuter.

In a carefully worded communique that had something for everyone, the Group of Seven industrial nations agreed on a common goal of lower interest rates but did not signal a precise route.

"From now on each country will carry out its policy according to its (own) conditions," Bank of Japan Governor Yasushi Mieno told reporters after the seven-hour meeting.

Washington had pulled out all the stops in its campaign to lower world interest rates, with US President George Bush calling in G-7 policymakers for a half-hour chat at the White House before their meeting.

But some other members of the G-7, particularly Germany, could not be convinced, arguing that rates needed to be kept high to keep inflation in check.

The gathering of the G-7 Britain, Canada, France,

Germany, Italy, Japan and the United States — was the high point of the semi-annual meeting of the International Monetary Fund and World Bank that ends on Tuesday.

Mired in recession, the United States called for faster world growth to generate the funds needed for the new world order of economic reform in eastern Europe and reconstruction of the Middle East.

In a concession to the

United States, the G-7 communique alluded to the importance of global growth but also emphasised the need to bring inflation out of the world economy — a concern both to Germany and to Japan.

"Every country has a somewhat different situation and it's naturally appropriate for the respective countries to choose the appropriate course of action to deal with their specific situation, Canadian

Finance Minister Donald Mazankowski said.

The United States, Britain and Canada are in the midst of recession, the economies of Italy and France are slowing down, while growth in Germany and Japan remains relatively robust.

US Treasury Secretary Nicholas Brady said he was not disappointed with the outcome of the meeting but acknowledged the G-7 had not reached agreement to change interest rates.

However, he told reporters he foresaw the lowering of Japanese and German interest rates.

German officials made clear that they were not opposed to easier credit but said that the best way to achieve that was to bring inflation down.

We are not against lower rates but they must be earned, Bundesbank President Karl Otto Poehl said.

None of the other G-7 Members seemed to agree with America's contention that zero inflation was an unattainable holy grail and in the end the United States had to back down on the issue and agree on the necessity of price stability.

Oil prices stable

LONDON, Apr 30: World oil prices were stable on Monday in a directionless market, traders said, reports Reuter.

Good buying demand for oil for immediate delivery, particularly from the United States, was still underpinning prices, they said.

North sea brunt blend crude oil June futures trading in London were two Cents higher at 19.63 Dollars a barrel at 1800 GMT on Monday.

Iran makes oil deals with US buyers

NICOSIA, Apr 30: Iran has concluded two oil deals with US buyers as part of a strategy to revive direct sales to the American market, a specialist

oil magazine said on Monday, reports Reuter.

Neither contract delivers Iranian oil to the United States so they avoid US restrictions requiring special payments, the Middle East Economic Survey MEES said.

MEES said the National Iranian Oil Company (NIOC) had made a 110,000 barrels per day (BPD) term contract with Coastal Corp for delivery to the US firm's Aruba refinery in the Caribbean.

The authoritative Cyprus based weekly said NIOC had also made a term contract of nearly 20,000 BPD with Mobil Group to deliver to Far East destinations.

Price Barometer Essentials

April-30

Item	Price (Taka)
RICE Aman (Vet y fine)	17.00-17.50
Aman (fine)	14.50-15.00
Pajam	13.50-14.25
Ufah	11.50-12.00
VEGETABLES (Taka per kg)	
Potato (White)	2.75-3.00
Brinjal	8.00-10.00
Lady's finger	8.00-10.00
Karolla	8.00-10.00
Lalshak	5.00-6.00
Papa	6.00-7.00
Green Banana (Four Pieces)	5.00-8.00
OTHER FOOD GRAIN (Taka per kg)	
Flour	12.00-14.00
Atta	10.00-10.50
Wheat	8.50
Suzi	18.00-20.00
FISH (Taka per kg)	
Rubi (big)	120.00-150.00
Katla (big)	90.00-100.00
Hilsha	55.00-60.00
Pangas	120.00-130.00
Shrimp (big)	80.00-100.00
Singi	75.00-80.00
Koi	90.00-120.00
PULSES (Taka per kg)	
Mash	30.00-32.00
Mashur	26.00-28.00
Moogh	28.00-30.00
Chihola	22.00-24.00
Mator	24.00-26.00
Khesari	16.00-18.00
MEAT (Taka per kg)	
Beef	50.00-60.00
Mutton	80.00-90.00
OIL (Taka per litre)	
Mustard	52.00-54.00
Soyabean	32.00-33.00
Palm Oil	40.00-41.00
Coconut (Colonel)	64.00-68.00
Vegetable Ghee	40.00-48.00
SPICES (Taka per kg)	
Onion	9.00-13.00
Garlic	40.00-44.00
Chillies	52.00-60.00
Curries	40.00-45.00
Turmeric (Round)	40.00-46.00
(Long)	16.00-20.00
Green chillies	16.00-20.00
Ginger	20.00-24.00
Cinnamon* (10gms)	3.00-3.50
Cardamom* (large)	3.50-4.00
Mustard	9.200.00 - 9.500.00
Mustard	7.00-7.50
MISCELLANEOUS (Taka)	
Ghee	220.00-240.00
Sugar	27.00-28.00
Molasses	16.00-20.00

Gold & Silver

April-30

Item	Price (Taka for 11.66 grams)
Gold	6,000.00
Tejabi	6,300.00
Gulshan	6,300.00
Silver	200.00

Source: Department of Agricultural Marketing

Hides & Skin

(Wet/Salted) April-30 (Taka per 100 pieces)

CoB	13,000.00 - 15,000.00
Light	30,000.00 - 32,000.00
Medium	35,000.00 - 40,000.00
Heavy	50,000.00 - 55,000.00
Very heavy	60,000.00 - 65,000.00
Rejected	24,000.00 - 25,000.00
Goat	
Big & heavy	12,000.00 - 13,000.00
Light & heavy	
Medium	6,000.00 - 7,000.00
Rejected	3,000.00 - 3,500.00
Sheep	9,200.00 - 9,500.00
Buffalo	55,000.00 - 60,000.00

Source: Department of Agricultural Marketing



M. Waliuzzaman, Chairman, Bangladesh Council of Science and Industrial Research (BCSIR) and Mohammad Moniruzzaman Chowdhury, Chairman, Bangladesh Small and Cottage Industries Corporation (BSCIC) signed the memorandum of understanding executed between them with a view to implementing the techniques invented by BCSIR through BSCIC.

Exchange Rates

April-30

SELLING AND BUYING RATES offered by Commercial Banks for Bank Cheques, (B/C) and Overseas Drafts (O/D)	One Unit of Foreign Currencies (FC) for Taka
FCs	Selling Buying
US Dollar	35.9226 35.4432
UK Pound Sterling	60.6164 59.8843
German Deutsche	20.5183 20.2301
French Franc	6.0798 5.9963
Saudi Riyal	9.6101 9.4919
Dutch Guilders	18.2117 17.9596
Pakistan Rupee (AMU)	1.5297 1.5153
Singapore Dollar	20.1529 19.8840
UAE Dirham	9.6141 9.6991
Kuwait Dinar	Not available
Indian Rupee	
AMU	1.7680 1.7513
S. Kroner	5.7642 5.6827
*AMU-Asian Monetary Unit	
SECONDARY EXCHANGE MARKET	
Wage Earners Fund/Export Performance Benefit (KPP) Fund	Selling Buying
US Dollar	36.48 36.53
UK Pound	62.78 62.83
Sterling	
* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market	
Source: Sonali Bank	

Raw Jute

April-30

Kutcha bales	White	Tossa	Meshta
FOB* Narayanganj/Daulatpur Varieties (Tk. per 100 Kg)			
Medium	1393	1500	1125
Bot.* (B)	1340	1447	1098
Bot. (C)	1206	1286	1045
Bot. (X)	1072	1125	857
* FOB = Freight on board			
* Bot. = Bottom</			