

WB, IMF pledge funds for reconstruction: Saifur

Solarz body recommends US to write off debts under PL-480

Finance and Planning Minister Saifur Rahman said the international community have responded promptly and positively to help Bangladesh to recover the losses caused by the disastrous cyclone, reports UNB.

ment to write off all outstanding debts of Bangladesh under PL-480 aid programme which amount over one billion US Dollar, he said.

The recommendation is likely to be accepted by the US government in view of the pressure posed on the new government by the disastrous cyclone, the Finance Minister said quoting indications from his conversations with a number of leading US congressmen.

The IMF has pledged to immediately release the held up second tranche of the ESAP fund and also assured to front-load the third tranche, Rahman said about the outcome of his recent meeting with IMF Managing Director Michael Camdessus in Washington.

The total amount to be released under the ESAP will be

around 140 million US Dollars. An IMF delegation would arrive here soon to assess the damage to determine further assistance, the Minister said.

Referring to his meeting with World Bank President Barber Conable, Rahman said the World Bank had assured to assist in reconstruction of the infrastructure.

Saifur Rahman said he gave an impression to the donors that the country would need at least one billion US Dollars to recover the damage and losses caused by the cyclone. They accepted the figure but all of them stressed on comprehensive assessment of the damage.

But, he said, the cyclone dominated the other topics.

Referring to his discussion with World Bank officials in Washington on the forthcoming Paris Consortium meeting,

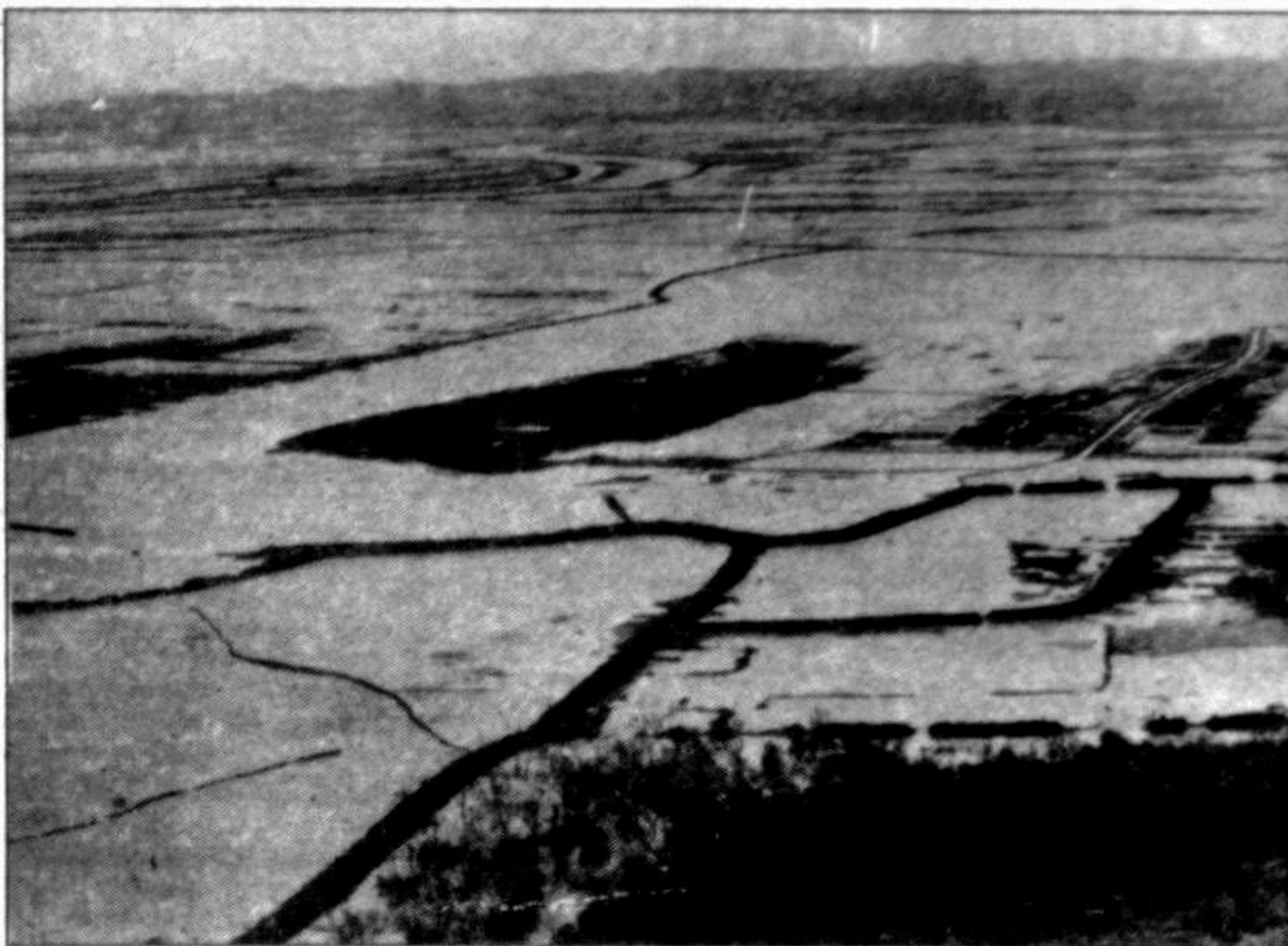
Rahman said the Bank has hinted it will recommend to the Aid Club a higher quantum of aid for Bangladesh than that of the last year.

"We, however, pressed for qualitative, not quantitative, improvement of the aid package," Rahman said.

On the outcome of the ADB meeting, Rahman said Bangladesh strongly pleaded for replenishment of the ADF (Asian Development Fund), the soft lending window of the Bank, which received good response from the contributing members.

Bangladesh was the main beneficiary of the ADF, receiving one-third of it alone.

Saifur Rahman led a three-member delegation which included Economic Relations Division (ERD) Secretary Enam Ahmed Chowdhury.



Salt beds on Maheshkhali islands were completely washed away by Monday's devastating cyclone and tidal surge. —Star photo

Snippets

Swiss banks recast laws

GENEVA, May 5: The Swiss Banking Commission has announced a new law that will clamp down on anonymous bank accounts to help rid the country of its image as a safe haven for ill-gotten gains, reports AP.

The law, which was published Friday and takes effect in July, closes a loophole that allowed lawyers and fiduciary trustees in certain cases to deposit funds on behalf of their clients without disclosing the clients' identities.

But the law will have no impact on the most notorious on-going legal wrangle — the struggle by the Philippines government to recover funds stashed away by the late President Ferdinand Marcos and his associates.

French exports to UAE rise 16 pc

ABU DHABI, May 5: France's exports to the United Arab Emirates (UAE) rose 16 per cent in 1990 despite the Gulf crisis, according to figures released by the French Embassy Saturday, reports BSS.

France exported mainly industrial equipment worth 3.7 billion francs to the UAE last year, an increase of 0.6 billion francs over exports of 3.1 billion francs in 1989, the figures showed.

"The demand for industrial equipment remained largely unaffected by the crisis," an embassy spokesman said referring to the economic impact of the Iraqi invasion of Kuwait and the war for the liberation of the Emirate.

China's Yuan cases against US Dollar

BEIJING, May 5: China continued its policy of letting the Yuan decline slowly against the US dollar, allowing it to slip 1.6 Chinese fen, or cents, since last Sunday, reports Reuter.

The current buying rate for one US dollar is 5.2935 Yuan compared to 5.2772 on April 28, the State Administration of Exchange Control said in a statement.

China in April began to allow what one official called a "managed float" of the Yuan.

Western economists think the Yuan could eventually decline to 5.7 or 5.8 to one-dollar.

Mark to remain stable over longer term

FRANKFURT, May 5: Bundesbank board member Hans Tietmeyer, repeating that German monetary policy had to stay tight, said the mark would remain stable over the longer term, reports Reuter.

According to the text of a speech prepared for delivery at a conference in Berlin, Tietmeyer also said Germany's current account, which has swung into a deficit since the start of this year, would stabilise fairly soon.

The Mark came under pressure on the currency markets recently, partly because of scepticism, especially on the part of foreign investors, about the ability of Germany to cope with the economic demands of unification.

Venezuela may use oil to pay back loans

HOUSTON, May 5: Venezuela's Oil Minister Celestino Armas said the country is studying a variety of changes in its oil industry, including the possibility of using oil to pay back loans from outside investors, reports Reuter.

"It is one of the possibilities," Armas told reporters. "It doesn't mean any sharing of the facilities," he said, adding that the equipment used to produce the oil would still be owned by Venezuela's state oil company (Petrleos de Venezuela).

Pak Rupee devalued against Dollar

KARACHI, May 5: The State Bank of Pakistan, the central bank said it adjusted the Rupee down to 23.6000/23.7180 to the US Dollar Saturday from 23.5000/23.6175 fixed on April 27, reports Reuter.

Turkish consumer inflation falls

ANKARA, May 5: Turkey's year-on-year consumer inflation fell slightly to 62.1 per cent in April from 62.3 per cent in March, the State Institute of Statistics said, reports Reuter.

But the monthly inflation in April soared to 6.6 per cent from 4.4 per cent a month ago, it said. Annual wholesale prices rose to 55.1 per cent in April from 50.7 per cent in March.

Colossal damage to Ctg Port facilities

Star Economic Report

Reports available from Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka showed a colossal damage to the port facilities at Chittagong by the devastating hurricane on April 30.

The damage, according to an initial report, includes two pilot vessels, two tugs, one barge, one survey vessel, and one survey vessel, all sunk.

One tug and one pilot vessel were grounded. One floating crane was damaged or sunk.

All these port-vessels were sunk in the Karnaphuli river at unknown locations.

The damaged equipment and properties of Chittagong Port include: six shore cranes which fell off the rails over the shed, all boundary walls within the port area, all electrical lights and poles, all tin shed buildings were blown off. All records kept at the buildings were also damaged by the surging sea.

Besides, all mechanical equipment such as Fork lift cranes, trucks etc went under water sustaining huge losses. Fortunately, container, handling equipment are all reportedly in order.

At General Cargo Berth (GCB), 30 per cent of the containers were blown off the stock and sustained damages. These include both loaded and empty containers. Reefer containers were also affected due to the onrush of high sea water. At MPB, forty per cent of the containers were damaged. The construction works for the back-up facility of the MPB were washed off.

Reports said only two vessels managed to remain at berth during the cyclone. Other vessels parted ropes and managed to hold on in river. But, three vessels, MV AL Salma, MV Fanis and MV Pentas Fortuna were aground. All vessels sustained damages due to contact with one another, barge, coaster etc.

The number of missing of small coasters, barges, fishing boats, country boats etc, including the crafts, belonging to Chittagong Port, is uncountable. The reports said all these crafts are in the Karnaphuli river with their locations unknown. This has made navigation uncertain.

Chittagong Port authorities are trying to survey the channel but movements are not likely to take place until safety is confirmed.

Donors pledge \$2.3b aid for Pakistan

PARIS, May 5: International donors on Friday pledged 2.3 billion dollars aid for Pakistan and another 174 million dollars to help Afghan refugees in the country, the World Bank said, reports Reuter.

The Bank said in a statement that Pakistan expected to record "commendable" economic growth of about 5.5 per cent during the 1991-92 financial year beginning in July when the aid programme is to begin.

It said the donor countries and organisations urged Pakistan to emphasise social programmes and the environment.

Donors agreed that long-term improvement in Pakistan's living conditions was being adversely affected by high population growth.

Inadequate development of human resources "has resulted in some of the poorest social development indicators in the world", the Bank said.

Pakistan's delegations agreed on the need to reduce the country's budget deficit and improve the balance between development and defence expenditure.

But it said Pakistan's defence spending was also governed by geo political factors and security considerations.

No clear sign of end to US economic recession

WASHINGTON, May 5: Latest figures give grounds for both optimism and pessimism on the state of the US economy, but fail to give a clear sign of when the recession will end, reports Reuter.

The Bush administration allowed itself to crow a little this week over some encouraging figures after two quarters of gloom. Congress leaders, however, were considering tax cuts to stimulate the economy.

A surprise drop in the monthly unemployment rate announced on Friday and a 0.5 per cent rise in the leading indicators index reported on Wednesday fuelled hopes for a economic turnaround this summer, as the White House has predicted.

But figures on new unemployment claims released on Thursday showed no slackening of layoffs in recession-hit industry. Factory orders fell for the fifth month in a row, according to a report issued on Tuesday, suggesting higher unemployment ahead.

"Have we hit bottom? It is possible, but we don't know," said Robert Dederick, an economist with Northern Trust Bank in Chicago. "We are getting pluses and minuses and we don't know whether the pluses are going to outweigh the minuses."

President George Bush, on a trip to St Louis on Friday, said the drop in the monthly jobless rate from 6.8 to 6.6 per cent was good news, adding that the figures "should not be taken as proof that everything is perfect."

On capital hill, the leaders of the House and Senate

ADB membership for Turkey

Turkey has been admitted to membership of the Asian Development Bank (ADB), says a press release.

Membership became effective on April 15, 1991 upon completion of all formalities, including payment of the first instalment of its subscription to the bank's capital stock.

Turkey has subscribed to 6,020 shares of capital stock valued at SDR 60,200,000 (US \$0.7 million Dollars). Of this, about 12 per cent, amounting to SDR 7,230,000 (US \$9.7 million dollars), is the paid-in portion, with the balance representing callable shares. The Bank's authorised capital stock is 22.6 billion dollars.

The admission of Turkey raises the bank's membership to 51.

democratic majorities were considering tax cuts for the middle class to help consumers spend their way out of recession, a spokeswoman for house majority leader Richard Gephardt said.

"We're still in a recession, and they (Gephardt and other Democrats) still think we're going to need to pursue helping the middle class with tax relief," Deborah Johns said. She said she did not know when a proposal would be put forward.

A senior administration official said "no economist worth his salt" would suggest the fall in the jobless rate was the start of a recovery.

He said half the increase in employment was among the self-employed and overall unemployment could rise again in May, adding that the best news was that the pace of job losses had slowed. Non-farm payrolls shrank by 124,000 in April, after dropping 241,000 in March.

"This says we are still in recession, but the decline is slowing. That is consistent with our forecast," he said.

He said there was still considerable risk to the economy from the credit crunch, which could choke off recovery.

Slight fall in share transactions

Star Economic Report

Transactions at Dhaka bourse declined slightly on Sunday.

Losers dominated trading and the Composite Index of Dhaka Stock Exchange (DSE) lost 0.3643 points to 352.5189 from Saturday's 352.8832. The index is the broad indicator of price movements of all the listed stocks.

In all 4,032 shares and debentures changed hands compared with Saturday's 4,319. Traded issues valued Taka 1,96,993.00. It was Taka 2,48,105.00 on the previous day.

Transactions involved fourteen stocks. Of them eleven lost and three gained in prices.

Chittagong Cement declined Taka 11.50 to Taka 133.50.

Chittagong Vegetable and 4th ICB Mutual Fund lost Taka 3.00 and Taka 4.00 to Taka 112.00 and Taka 143.00 respectively.

Apex Tannery and Kohinor Chemical declined Taka 1.88 and Taka 1.60 to Taka 145.20 and Taka 79.50.

Quasem Drycells, Renwick Jayneswar, Eagle Star, Satham Textile and Bata Shoe lost within the range between Taka 0.15 and Taka 1.00.

Beximco Pharma, the lone traded debenture advance Taka 5.00 to Taka 173.00.

Bengal Food and 3rd ICB Mutual Fund moved up Taka 8.25 and Taka 1.00 to Taka 180.00 and Taka 156.00 respectively.

Quoted Prices of Traded Stocks

Table with columns for stock names, prices, and changes. Includes items like Investment, 3rd ICB M. Fund, 4th ICB M. Fund, Engineering, Quasem Drycells, Renwick Jayneswar, Apex Tannery, Bengal Food, Ctg. Vegetable, Kohinor Chemical, Paper & Printing, Eagle Star, Satham Textile, Mischellaneous, Apex Tannery, Bata Shoe, Chittagong Cement, Debenture, Beximco Pharma, and various price changes.

Price Barometer: Essentials

Table listing prices for various commodities like Rice, Vegetables, Other Foodgrain, Fish, Meat, Oil, and Spices. Columns include item names and prices per kg or liter.

Democracy in Bangladesh to ensure aid: Conable

WASHINGTON, May 5: World Bank President Barber Conable has expressed the hope that democratic transition in Bangladesh would have a positive impact on resources flow into the country and in process, the Bank would play its due role, reports BSS.

The World Bank President expressed this opinion while the Minister for Finance and Planning Md Saifur Rahman had a meeting with him at Washington on Tuesday.

Recalling the partnership of the Bank in the development efforts of Bangladesh, the World Bank President observed that since the new government had a policy mandate, it would be in a better position to introduce reforms.

The Minister appraised the policies and initiatives taken by the government for private sector development. He stressed the determination of the government to augment investment by mobilizing additional resources and by drastically cutting unnecessary unproductive expenditure. He also underscored the need for poverty alleviation and meeting the basic needs of the rural poor.

Gold & Silver

Table showing prices for Gold and Silver. Columns include item names and prices per 100 grams.

Hides & Skin

Table showing prices for various types of hides and skins. Columns include item names and prices per 100 pieces.

Sharp rise in prices of essentials

Star Economic Report

Prices of some essentials have shot up in city markets abnormally following the devastating cyclone that battered the coastal belt of the country.

Chira which used to sell at Taka 16 a kg only one week ago is now selling at Taka 18 to 19. Molasses is being sold at Taka 24 to 28 a kg. Previously it was sold at Taka 16 to 18 a kg.

Different government agencies and other organisations are buying these two items of dried food in bulk quantities for distribution among the cyclone-hit people.

Price of salt, one of the most essential commodity, has registered a rise. It is now being sold at Taka 8 a kg whereas before the cyclone it sold at Taka 6 per kg. Traders say salt prices rose as the salt

in fields and godowns have been washed away by the tidal surge. Coastal areas are the sole salt producing region of the country.

Prices of meat and fishes have also gone up. Mutton prices hit Tk. 100 per kg. Beef is being sold at Taka 60 a kg. Only one week ago, these sold at Tk. 80 and Tk. 50 respectively. Ruhi (Big) is being sold at Taka 140 to 160 a kg. Previously it was sold at Tk. 120 to 150.

Shrimp (big) is selling at Tk. 100 to Tk. 120 a kg. Before cyclone, it sold at Tk. 80 to 100. Traders say meat and fish prices shot up as the supply was disrupted.

Rice prices registered slight rise over the last week. Vegetable prices also saw slight rise.

Onion sold at Tk. 13 a kg, garlic at Tk 42 to 46, chillies price ranged from Taka 54 to 62. Turmeric sold between Tk. 40 to 46 per kg. Green chillies sold from Tk. 16 a kg to Tk 20. Ginger price ranged from Tk. 20 to 24.

Sugar prices remained static. It sold at Tk. 28 this week.

Onion sold at Tk. 13 a kg, garlic at Tk 42 to 46, chillies price ranged from Taka 54 to 62. Turmeric sold between Tk. 40 to 46 per kg. Green chillies sold from Tk. 16 a kg to Tk 20. Ginger price ranged from Tk. 20 to 24.

Sugar prices remained static. It sold at Tk. 28 this week.

Onion sold at Tk. 13 a kg, garlic at Tk 42 to 46, chillies price ranged from Taka 54 to 62. Turmeric sold between Tk. 40 to 46 per kg. Green chillies sold from Tk. 16 a kg to Tk 20. Ginger price ranged from Tk. 20 to 24.

Sugar prices remained static. It sold at Tk. 28 this week.

Raw Jute

Table listing prices for Raw Jute in different varieties and grades. Columns include variety names and prices per 100 kg.

OPEC output falls

PARIS, May 5: Crude oil output by OPEC countries fell to 22.6 million barrels a day last month from 23.2 million in March, the Paris-based International Energy Agency (IEA) said in its monthly report published here, reports AFP.

The 600,000 barrel a day reduction meant that Organisation of Petroleum Exporting Countries output was still above the group's production ceiling of 22.3 million barrels a day for the second quarter of this year.

Only two OPEC members reduced production in April, the IEA said — Saudi Arabia which cut output from 8.1 million barrels a day in March to 7.7 million and Iran, whose production fell from 3.5 million barrels a day to 3.3 million.

The IEA put Iraqi output at 100,000 barrels a day in April, the same level as in March, against a pre-Gulf war output of 3.1 million barrels a day in the second quarter of 1990.

Kuwait produced no oil, the IEA said.

Among non-OPEC producers U.S. first quarter production was its highest for this quarter in five years, the IEA

Exchange Rates

Table showing exchange rates for various currencies. Columns include currency names and rates.