Snippets

WASHINGTON, May 18: United States is worried about its growing trade deficit with China and intends to start discussions with Beijing over trade and currency policies that discourage imports, the Treasury Department said Thursday, reports Reuter.

In a report to Congress, the department said recent currency devaluations by China on top of government controls on trade and foreign currency allocations are creating trade surpluses for China.

The US trade deficit with China tripled since 1988. when it was 3.5 billion dollars. The deficit jumped to 6.2 billion dollars in 1989 and 10.4 billion in 1990. A report released this week by the congressional joint economic committee said the US trade deficit with China could rise to 15 billion dollars this year.

President Bush must decide by June 3 whether to extend most favoured nation (MFN) trade status with China for another year.

It would give China favourable trade benefits including lower import tariffs on their goods.

Bush said Wednesday he would like to extend the favourable trade status for China, but a number of members of Congress oppose the move because of Beijing's hardline crackdown on dissent and human rights abuses. The White House said Thursday the move is still under review and some conditions could be put in place before MFN status in granted.

Moderate rise in share trading

Star Economic Report The week began at Dhaka

Stock Exchange (DSE) on Saturday with a moderate rise in trading. In volume terms transac-

tions stood at 3,395 from last Thursday's 1,456. Traded issues valued Taka 1,76,640.00. It was Taka 67,685.00 on Thursday.

Decliners dominated trading. And DSE All Share Price Index lost 0.6262 points to 345.3379 from Thursday's 345.9641. Index is the indicator of price movements of all the listed stocks.

Transactions involved twentyone stocks. Of them thirteen lost, five gained and three remained unchanged at their previous quoted prices.

Bengal Food and Kohinoor Chemical declined Taka 20.00 and Taka 10.00 to Taka 170.00 and Taka 69.00.

Pharma Aids and Ist ICB Mutual Fund lost Taka 5.00 each to Taka 185.00 and Taka 415.00 respectively.

Monospool Paper and Dhaka Vegetable declined Taka 3.00 and Taka 2.98 to Taka 111.00

and Taka 143.00. Atlas Bangladesh, Bangladesh Autocars, Bang-ladesh That Aluminium, Zeal Bangla Sugar, Eagle Box, Tallu Spinning and Chittagong

Cement declined within the

range between Taka 0.20 and

Taka 1.52. BGIC Insurance, 6th ICB Mutual Fund, Quasem Drycells, Renwick Jajneswar and Beximco moved up within the range between Taka 0.04 and Taka 1.00.

Quoted Prices of				Shrimp(big) Singi	4
Trade	C D	toc	KS	Koi	
I I uu	, u		ILU	PULSES	
	May	v —1	8	Mash Mashur	
Investment	*FV/ML	Closting	**Changes	Moogh	
and the state of t	1900 MARKET	(Taka)	(Taka)	Chhola	
Int ICB M. Fund	100/5	415.00	(-5.00)	253755	
6th ICB M. Fund	100/10	90.50	(+0.50)	Mator	
Insurance	100/10			Khesari	
BCIC	100/10	111.96	(+0.96)	MEAT	
United Engineering	100/10	110.00	unchanged	Beef	
Atlas Bangladesh	10/50	40.00	(-0.20)	E 775577	
Aziz Pipes	100/5		unchanged	Mutton	70 7010
Bangladesh Autocan	CH 1 TO A	105.00	(-1.52)	OIL	· (T
B.That Aluminium	100/10	95.00	(-1.00)	Mustard	
Quasem Drycells Renwick	10/50	8.55	(+0.15)	Soyabean	92
Jayneswar	100/5	65.00	(+1.00)	Coconut(Cole	ombo)
Food & Allied	5			Vegetable Ghe	e
Bengal Food	100/5	170.00	(-20.00)	SPICES	1770
Dhaka Vegetable	100/5	143.0	(-2.98)		
Zeal Bangla Sugar	10/50	8.00	(-1.00)	Onion	
Juke				Garlic	
Sonalt Aansh	100/5	85.00	unchanged	Chillies	
Pharma & Chem	7.1			Turmeric(Rou	nd)
Kohtnoor Chemical	100/5	69.00	(-10.00)	The second of th	20.7.1 <u>7</u> .1
Pharma Aids	100/5	185.00	(-5.00)	A STATE OF THE PARTY OF THE PAR	ng)
Paper & Printin		10.00		Green chillies	
Eagle Box	10/50	12.80	(-0.33)	Ginger	
Monospool Paper Textile	100/5	111.00	(-3.00)	Cinnamon* (10ems)
Tallu Spirining	100/10	116.27	(-0.73)	The state of the s	2.7 (C. 17 Table 9 D.C.)
Miscellaneous	100/10	0.000	1.0.7.51	Cardamom* (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Beximco	10/100	9.80	(+0.04)	Jhira (50gms)
Chittagong Cement				MISCELL	ANEOUS
*FV=Face V				Chee	
Lot	165501-70558	A-1247 PM - 50	TOTAL PROPERTY.	Sugar	
Markey Property Company	0.000	5000000		Malacene	

**Changes: Plus signs mean gain and (-) sings losses. Source: Department of Agricultural Marketing

5 Gains

Abnormal rise in prices of construction materials

By Enamul Huq

before the cyclone now sells between Taka 48 and 54. Prices of rods, another im-

Prices of construction ma-

terials, especially of those

which are used in making

thatched houses in rural areas.

have increased abnormally in

city markets following devas-

tating cyclone and tidal surge

in the coastal areas of the

Prices of nails have gone up

by 20 per cent compared to

last month's prices. One kg of

one inch natis which used to

sell at Taka 32 before the cv-

clone now sells at Taka 40.

Prices of one and a half inch to

four inch nails have shot to

Taka 30 a kg from previous

price of Taka 26. Nails is an

essential material in building

a remarkable extent. A kg of

24 gedge wire now sells at

Taka 59. Before tidal surge of

April 29 it sold at Taka 38.

Wire of 14 to 22 gedge which

sold between Taka 34 and 36

Many Asian developing

economies have moved to-

wards a greater role for the

based economic policies and

less government intervention

in the economy over the last

(ADB).

two decades, according to

The movement has gener-

ally been coupled with export-

oriented industrialisation, says

the Manila-based ADB in its

The move in favour of a

greater private sector role fol-

lowed from changes that oc-

curred in the international

economic environment during

the 1970s and 1980s, the

The Bank says, a number of

its Developing Member

Countries (DMCs) perceived

that excessive state interven-

tion in industry had an adverse

impact on industrial develop-

At the same time because of

budget constraints certain

DMCs have opened to the pri-

Price Barometer:

Essentials

May-18

(Taka per kg)

17.00-17.50

14.50-15.00

14.00-14.50

13.00-13.50

4.00-4.50

12.00-16.00

10.00-12.00

10.00-12.00

8.00-10.00

7.00-8.00

5.00-8.00

(Taka per kg)

12.00-14.00

10.00-11.00

18.00-20.00

(Taka per kg)

120.00-140.00

100.00-110.00

110.00-120.00

90.00-110.00

70.00-80.00

80,00-110.00

30.00-32.00

26.00-28.00

28.00-30.00

22.00-24.00

24.00-26.00

16.00-18.00

55.00-60.00

80.00-90.00

52.00-56.00

35.00-36.00

64.00-68.00

44.00-48.00

14.00-16.00

36.00-44.00

55.00-60.00

40.00-45.00

40.00-45.00

16.00-20.00

20.00-24.00

3.00-3.50

3.50-4.00

7.00-7.50

220.00-240.00

27.00-28.00

18.00-20.00

(Taka)

(Taka Per kg)

(Taka per kg)

(Taka per Litre)

(Taka per kg)

50.00-55.00

8.00-8.50

(Taka per kg)

ment and economic growth.

Annual Report (1990).

Report adds.

Aman (Very fine)

VEGETABLES

Green Banana (Four Pieces)

OTHER FOODGRAIN

Potato(White)

Lady's finger

Flour

Ruhi(big)

Katla(big)

Hilsha

Development Bank

private sector, more market-

Asian economies

move towards

private sector

Star Economic Report

Wire prices have shot up to

houses in rural areas.

country

portant construction material which is produced locally by using ship scraps have also gone up following the cyclone. Two string rods which used to sell at Taka 18,200 per ton in April now sells at Taka 20,500 a ton. Three to five string rods sold at Taka 16,500 a month ago. Now it sells at Taka 18,500 per ton.

Prices of imported "Kobzai of Chinese origin have shown steep rise while those of Bangladeshi "Kobza" have remained nearly unchanged. A dozen of two and a half inch China made Kobza used to sell at Taka 22.50 a month ago. Now its price is Taka 33. Three inch Kobza price have risen to Taka 46 per dozen from previous price of Taka 40. Four inch Kobza which sold

vate sector such areas as

power, urban transportation

and large scale manufacturing

of products like fertilizers and

cement, traditionally reserved

Bank's current private sector

programme are to foster the

development of an economic

and policy environment which

will encourage private sector

growth throughout the region,

thus speeding up economic

development, the Report

more direct interest in the

promotion and development of

private enterprises through its

equity and unguaranteed loan

windows. It also acts as a cata-

lyst for additional financing,

technology, management skills

and market across through the

comfort it offers co-investors

and co-lenders, the Report

The Bank is ready to sup-

The Bank now also takes

The basic objectives of the

for the public sector.

at Taka 95 per dozen before the cyclone now sells at Taka

Cement prices have also gone up following the cyclone. One bag of 50 kg cement now sells in city markets between Taka 210 and 214 while before cyclone, its price ranged between Taka 185 to 190.

Traders say the prices of these construction materials have increased as most of the consignments which reached Chittagong Port from abroad immediately before the tidal surge have been badly damaged by sea water. As a result, these items are running short of supply compared to the increased demand following the cyclone.

While wholesale traders blame shortage in supply for the price rise, retailers say wholesellers are taking the ad vantage of making more money by increasing price.

EC supports regional groupings

European Community (EC) supports regional groupings which seek to enhance trade, economic and political ties among its members, EC Commissioner Abel Matutes said here Friday, reports AP.

"We support regional groupings," Matutes, here on a two-day visit, said when asked to comment on the EC's reaction to the Malaysian proposal for the formation of an East Asia Economic Grouping

He pointed out that there

"They bring about commercial and political integration. We support them", Matutes

member Association of South-East Asian Nations (ASEAN) as a good example of such successful groupings.

"ASEAN enjoys stability, high growth and political cooperation. It deserves supports," he said.

ASEAN is made up of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand

port governments with technical assistance and financing for privatisation exercises. ments in the region.

SINGAPORE, May 18: The

(EAEG)

were several such groupings in various regions of the world and they deserved the support

He referred to the six-

The EC Commissioner said he had discussed develop-



94,560 matches. She is 170 cm long and weights 15 kg. Foreground is a galleon built also with matches. - AFP photo

Soviet economy faces worse outlook

WASHINGTON, May 18: The Soviet Economy faces a "radical worse" outlook this year, with no prospect of significant improvement in the near future regardless of which strategies Kremlin leaders follow, according to a report by US intelligence agencies released here Thursday, reports

In their annual joint report titled "beyond perestroika: the Soviet economy in crisis," the Central Intelligence Agency (CIA) and the Defence Intelligence Agency (DIA) said that six years after President Mikhail Gorbachev introduced his policy of economic restructuring, the Soviet economy appeared to be at a virtual dead

"There is no doubt that 1991 will be a worse year for the Soviet economy than 1990. and it is likely to be radically worse," the report stated.

The report was published just as President George Bush was being urged by private and government experts to responded favourably to Gorbachev's request for 1.5 billion Dollars in credits to buy US grain but to condition it on a new commitment by Moscow to political and economic re-

Wednesday, the Senate

PARIS, May 18: A relatively

Strong recovery in rich

states forecast

Guinea

passed a resolution urging Bush to approve the credits but making it contingent on a pledge that there be no repetition of the crackdown on restive republics that followed the granting of one billion Dollars in US credits last winter.

Bush is said to be sympathetic to Gorbachev's predicament and willing to help him.

The prevailing view among US officials is that the Soviet Union needs not only cash but more importantly, a heavy doxe of free-market economics and technical economic aid from the West. The CIA/DIA report noted

that for the first time the Soviets had acknowledged that overall output was declining by two per cent in 1990 and by eight per cent during the first quarter of 1991 compared to the same period last year.

But it said that CIA/DIA estimates, although subject to greater uncertainly than in previous years, continued to point to a decline greater than officially claimed.

"Inflation is accelerating sharply, with retail prices rising an estimated 14 per cent in 1990, a reported 24 per cent in the first quarter of 1991, and an average of more than 60 per cent on April 2 of this year as a result of a presi

three per cent, giving 1.5 per

cent for the whole year and 2.5

per cent in 1992 compared

May-18

Source Department of Agricultural Marketing

Hides & Skin

(Wet/Salted)

May-18

(Taka per100 pieces)

35,000.00

10.000.00 - 12.000.00

30,000.00 - 32,000.00

55,000.00 -- 56,000.00

- 40,000.00

(Taka for 11.66 grams)

6,000.00

6,300.00

200.00

"Shortages of energy and basic industrial materials such as steel and chemicals have also intensified, and their impact has spread rapidly across the economy," the report added.

Gorbachev plans for wage indexation

Reuter from Moscow adds:

Soviet President Mikhail Gorbachev on Friday submitted to Parliament his plans for income indexation to help ease the effects of sharp price rises expected as the Soviet Union builds a market economy. Tass news agency said.

Tass said the indexation scheme, part of a complex of social security measures, would partially or, in some cases, completely compensate for stop increases in the cost of goods and services. It must now be approved by Parlia-

But many fear the overall effect is far greater and view the prospect of further rises with trepidation.

Workers in outdated, inefficient factories may also soon face unemployment, a phenomenon not known here on a mass scale since the 1920s. The government has promised unemployment pay from July.

FOB * Narayanganj/Daulatpur

	White	Tossa	Meshta
Medium	1393	1500	1125
Bot.* (B)	1340	1447	1098
Bot. (C)	1206	1286	1045
Bot. (X)	1072	1125	857
FOB =	Freight	on boar	d
Bot. =			

FOB Pucca bales Varieties (Ready)* (Sight)** Tk. per \$ per Bangla

375 BTE 2100 White Rejection (WRS)

Tossa Rejection (TRS) Habijabi, Cut Ropes 1700 BWR 1350 **BWH** 1800 BTR BTH 1450 BCR 1300 White/Tossa

May-18

UK Pound Sterling 62.9818 German Deutsche 21.3406 Mark French Franc 6.2879 Saudt Riyal 9.6101 **Dutch Guilders** 18.9265 Pakistan Rupee 1.5117 1.4973 (AMU*) Singapore Dollar UAE Dirham 20.3932 20.1210 9.8141 9.6831 **Kuwait Dinar** Indian Rupee

5.8463 5.9303 SECONDARY EXCHANGE MARKET Wage Earners Fund/ Export Performance Benefit (XPB) Fund

63.99 64.04 . The rates of Pound Sterling are decided every day, based on the cross-rates of New York market Source: Sonalt Bank

Varieties (Tk. per 100 Kg)

290

220

300

230

230

new notes

KHARTOUM, May 18: Most shop and restaurants closed in Khartoum on Thursday, minibuses stopped running and banks were jammed as Sudanese scrambled to trade soon-to-be-worthless currency for new notes, reports Reuter.

50 Pound notes - worth 20 dollars and 10 dollars at the officials rate but much less on the black market or in buying power - will no longer be accepted after 3 pm on Saturday, the Bank of Sudan announced last week.

Gold bullion remains quiet in London

LONDON, May 18 : Gold bullion remained quiet during late trading with business restricted to routine end week book-squaring operations, re-

Spot metal ended at 355.25/355.75 dollars an ounce against Thursday's 355.80/356 .20 dollars closes. Yesterday's decline from above the 360 dollars level weighed on the market, which showed little inclination to test the

Dhaka Stock Exchange Market Profile May - 18

134 Listed stocks 116 Unchanged 13 Losers

135 Unchanged stocks include three traded on the day at their previous quoted prices.

DSE All Share Price Index = 345.3379 Issued Capital=Taka 10,146,289,601.00 Market Capitalisation = 9,868,118,221 Turnover = 1,76,640.00 (Value) 3,395 (Volume).

World economy poised to recover: OECD

PARIS, May 18: The industrial world is starting to pull out of the economic downtrend as the year wears on, according to experts at the Organisation for Economic Cooperation and Development

(OECD), reports Reuter. Projections discussed by the experts in Paris this week herald a pick-up in growth in the 24 rich nations that make up the OECD to 2.9 per cent in 1992 from one per cent this year, economic diplomats familiar with the talks said. Inflation is expected to ease to about 3.8 per cent in 1992 from 4.4 per cent in 1991.

The outlook was discussed in preparation for next week's meeting of the OECD's economic policy committee, whose findings will in turn be debated by finance and trade minister at the agency's annual meeting in Paris on June 4/5.

One diplomat said an unusual degree of consensus emerged at the talks. "There's nothing to prevent a recovery." he said. "The only question is one of timing."

Even on this score, he said,

about two-thirds of the dele-

gates took the view that

growth in the OECD as a whole

would probably resume this

quarter, albeit at a slow pace.

The others saw a recovery delayed until the second half of the year.

The OECD projection of 2.9 per cent growth for 1992 is remarkably close to that of the IMF, whose latest world economic outlook, released last month, forecast growth in industrial countries would accelerate to 2.8 per cent next year from 1.3 per cent this year.

"The situation doesn't look too unsatisfactory. There are no major disequilibria," one source said.

Because of massive transfers from the Gulf states, Japan and Germany to the United States to help defray the cost of the Gulf war, the OECD believes this year's US current account deficit could be considerably lower than the much-reduced 40 billion dollar gap estimated

Although a recovery in confidence since the end of the war has brightened the economic outlook, diplomats expect Washington to keep pressing for lower global interest rates.

by the US Treasury, he said.

The US Treasury warned yesterday that the persistence

of high real interest rates, by

hurting investment and growth

prospects, posed substantial

risks for the world economy.

strong economic recovery should begin in industrialised countries during the second half of the year, resulting in overall growth of about 2.9 per cent in 1992, according to confidential OECD forecasts. diplomatic sources said on

Friday, reports AFP. The Organisation for Economic Co-operation and Development (OECD) also forecast a sharp reduction in the rate of price increases in the OECD zone by the end of 1992 accompanied by an increase in unemployment.

Average growth in the 24 member countries would be about zero in the first half, but could be resumed at an annual rate of about 2.5 per cent during second half of the year. This would give an overall

cent in 1991, down one and a half points compared with the level in 1990. The OECD expected growth at an annual rate to the three per cent in each of the follow-

ing two six-monthly periods,

giving average growth of about

rate of growth of about one per

2.9 per cent next year. Growth in France would fall to about zero during the current six months, but should rise during the second half to a rate of about 2.5 per cent or



Sadharan Bima Corporation Managing Director M M Morshid addressing a group of affected investors of mills and factories in the Export Processing Zone following devastating cyclone of April 29. He assured them to consider their claims on priority basis and settle those in shortest possible time.

Raw Jute

May-18

Kutcha bales

with 2.8 per cent in 1990.		White	Tossa	Mesht
But US Gross National Product would fall by 1.8 per	Medium	1393	1500	A LEW YORK TO SHARE
cent at an annual rate during	Bot.* (B)	1340	1447	1098
the first half of the year.	Bot. (C)	1206	1286	1045
the mst han of the year.	Bot. (X)	1072	1125	85
Gold & Silver	• FOB = • Bot. =	Freight	on boa	
COLUMN CO CONTACT	Park Street Street Street	1000		-

		10000
White	bale*	MT*
BW SPL	3450	585
BWA	3350	570
BWB	3300	550
BWC	2900	480
BWD	2600	410
BWE	2000	365
Bangla		
Tossa		
BT SPL.	3500	595
BTA	3450	580
BIB	3400	560
BIC	2950	490
BID	2650	420

50,000.00 -- 52,000.00 - 60,000.00 55,000.00 18,000.00 - 22,000.00 Rejected 12,000.00 - 13,000.005,500.00 - 6,000.00 2,800.00 -- 3,000.00 Rejected 8,500.00 - 9,000.00

Exchange Rates

Source: Department of Agricultural Marketing

SELLING AND BUYING RATES, offered by Commercials Banks, for Bank Cheques, (BCs) and Overseas Drafts (ODs) One Unit of Foreign Currenctes (FCs) for Taka Buying US Dollar 35.9226 35.4432 62.2295 21.0433 6.2007 9.4819

1.7482 1.7314 S. Kroner *AMU-Asian Monetary Union

US Dollar UK Pound

Cutting BWCA 1500 235 1350 220 **BWCB** 1650 250 BTCA 1550 235 BTCB Meshta 1950 355 1900 345 330 1800 1600 295 SPL Cuttings 1000 Ord. Cuttings 900 200 1125 FOB ready = Narayanganj ** FOB sight = Chittagong/

Mongla Ports. Indicative Price at wihch sales may be considered for EPC registration. The \$ prices are exclusive of any selling commision. O. D. (Sight nontraditional/applicable to export bills). One \$ = Tk. 35.4956) • MT = Metric Ton

Imports/arrivals of Kutcha bales at Narayanganj were five to six thousand mounds while at Daulatpur at four to five thousands mounds. (One manund is equal to 37.32417 : Bangladesh Jute Association

LONDON, May 18 2 Oil prices were slightly weaker on Thursday, weighed down by a glut of crude for immediate delivery in Europe and improved US supplies of refined oil products, traders said reports Reuter. But the market seemed to

Oil prices weaker

slightly in London

be finding its feet after recent declines, they added. 'Overall, this market is still in a big consolidation phase."

one US trader said. Spanish workers

demand higher pay

MADRID, May 18: Public sector workers demanding higher pay disrupted airline and rail transport in Spain with day-long stoppages, reports Reuter.

Flag carrier Iberia Lineas Aereas de Espana cancelled 177 flights as 23,000 ground staff and cabin crew took the second 24-hour stoppage this week. They plan strikes on May 20 and 24.

Iberta said 95 international flights were among those cancelled and most other flights out of Madrid's Barajas airport were delayed, sometimes by several hours.

Pak-Iran joint oil refinery soon

ISLAMABAD, May 18: Pakistan and Iran have agreed to set up a joint oil refinery with a capacity for 120,000 barrels of crude per day, a Pakistani minister said on Wednesday. reports Reuter. Production Minister Islam

Nabi, quoted by the official APP news agency, said the refinery would be set up in Pakistan with 50-per-cent shares for both countries. No cost was Nabi, speaking at a dinner for visiting Iranian oil minister

the refinery project would "prove to be a catalyst for the future joint ventures in oil and gas fields " between the two countries. APP quoted Aqazadeh as of-

Gholam Reza Aqazadeh, said

fering to supply natural gas and increase oil supplies to Pak-

'G-7 should seek stronger growth'

WASHINGTON, May 18 :The Group of Seven should pursue a more growth-oriented strategy for the world economy. US Treasury Under-Secretary David Mulford said, reports

In testimony prepared for delivery to a House Banking subcommittee, Mulford said the reduction in inflation that is now underway worldwide gives the G-7 a chance to fol-

low such a strategy. The US has never advocated abandoning vigilance against inflation. Rather, we have argued that our priority is to restore strong G-7 growth while protecting the gains... made and ... in store on the inflation front," Mulford said.

Diamond mine set to boost output

LUCERNE(Switzerland). May 18: The owners of the world's richest diamond mine have agreed to study the possibility of further investments aimed at boosting its productivity by a third, De Beers announced at its headquarters here Thursday, reports AFP.

The mine, called Jwaneng, is located in Botwana, southern African country that derives 60 per cent of its foreign income from diamonds.

Sudanese scramble for

Their old 100 Pound and

ports Reuter.

upside today, dealers said. Silver finished at 405/406

cents an ounce, up just one cent from Thursday, while platinum need at 388/389 dollars an ounce, against 389.50/390.50 dollars yester-