

Tk 7,500 cr ADP likely

Star Economic Report
The Annual Development Programme (ADP) for 1991-92 is likely to be sized at Taka 7,500 crore at current prices...

The memorandum was jointly prepared by Planning Commission and Economic Relations Division (ERD).

The ADP covers the public sector investment programme of the government in its totality.

According to the aide memorandum, the ADP in 1990-91 will involve a total investment of Taka 6,521 crore.

The government has indicated to the donors that the three-year rolling development programme for 1990-93 will be sized at Taka 22,499 crore in current prices...

Meanwhile, the tentative indicators in the aide memorandum showed that the estimated tax receipts of the government at Taka 9,402 crore in 1991-92 and Taka 11,004 crore in 1992-93...

Revenue expenditures are estimated at Taka 7,900 crore in 1991-92 and Taka 8,400 crore in 1992-93 against Taka 7,400 crore in 1990-91.

External aid disbursements have been estimated at Taka 6,435 crore and Taka 7,100 crore for 1991-92 and 1992-93 respectively.

Thin trading at DSE

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Dhaka bourse witnessed a thin trading on Wednesday. But the downturn of the Composite Index of Dhaka Stock Exchange (DSE) was halted by the advancers' domination in transactions.

The index, which is the broad indicator of price movements of all the listed stocks, moved up slightly. It advanced to 343,435.8 points from Tuesday's 343,325.2.

In all 750 shares changed hands compared with Tuesday's 2,685. Traded issues valued Taka 79,340.00 against Tuesday's Taka 1,04,265.00.

Transactions involved eight stocks. Of them four gained, two lost and two remained unchanged at their previous quoted prices.

Rupali Bank and United Insurance gained Taka 4.00 and Taka 2.00 to Taka 80.00 and Taka 110.00 respectively.

Bangladesh That Aluminium and 5th ICB Mutual Fund advanced Taka 1.33 and Taka 0.50 to Taka 96.00 and Taka 126.00.

The Ibsnia and Chittagong Vegetable declined Taka 11.00 and Taka 1.00 to Taka 79.00 and Taka 97.00.

Quoted Prices of Traded Stocks May 29

Table with columns: Stock Name, Price, Change. Includes Rupali Bank, United Insurance, Bangladesh That Aluminium, etc.

Dhaka Stock Exchange Market Profile May - 29



128 Unchanged stocks include two traded on the day at their previous quoted prices. DSE All Share Price Index = 343,435.8

WB to ask donors for increased aid to Bangladesh

WASHINGTON, May 29: The World Bank (WB) will ask aid donors to substantially increase their assistance to disaster-prone Bangladesh at a meeting in Paris later this week, officials said on Tuesday, reports Reuter.

The devastating cyclone of April 30, which caused untold damage and killed upwards of 125,000 people, will require significant relief and rebuilding efforts, the World Bank said in a preparatory note for the meeting.

Even before the cyclone, it had reckoned that aid donors needed to increase their assistance to Bangladesh to 2.2 billion Dollars over the next year, from 1.8 billion Dollars in 1990-91. Over the next five years, the country will need nearly 9 billion Dollars in foreign finance, officials said.

To help the country cope, the World Bank is studying shifting money from projects already in place or in the pipeline to rebuild roads, bridges and other

infrastructure destroyed in the disaster.

If that is not enough, the World Bank will consider an emergency rehabilitation programme for Bangladesh, officials said.

In its note for the two-day donors' meeting that begins today the international lending organisation emphasised the importance of Bangladesh carrying out tough economic reforms.

Representatives from 15 industrialised nations, including the United States, Japan and Germany, are expected to attend the meeting.

In a separate announcement, the World Bank said on Tuesday that its international development association affiliate will lend Bangladesh about 55 million Dollars.

The 40-year, interest-free loan will be used to improve agricultural irrigation in the country.



These unchanged big bills aren't now worth a penny. Soviet President Mikhail Gorbachev adopted a decree on cancelling the bills of 50 and 100 Rouble denomination issued in 1961 and restricting money withdrawal from savings bank accounts. The decree took many by surprise in late January this year.

China seeks veto power on HK economy

BEIJING, May 29: The Chinese government, in blocking plans for a new airport for Hong Kong, is pressing for broad veto powers over the economy of the British colony, sources close to the British negotiating team said, reports Reuter.

They said Chinese objections to the high cost were not as widely reported - the main reason Sino-British talks on the airport have foundered.

China was making demands that would effectively cripple the ability of the Hong Kong government to take financial decisions, the sources said.

To cede to such demands would lead to lengthy delays in construction projects vital to the prosperity of the colony that reverts to China in 1997, the sources said.

Beijing was demanding that Britain agree in principle to give it veto power over all spending and borrowing by the Hong Kong government that straddle 1997, they said.

It was also demanding final say on borrowings guaranteed by the Hong Kong government that extend beyond that date.

Japan, Canada, Britain support Gorbachev's presence at G-7 meet

TOKYO, May 29: Soviet President Mikhail Gorbachev would be welcome to attend a post-summit meeting of the Groups of Seven (G-7) nations in London this July, the leaders of Japan and Canada said, reports Reuter.

Japan's Premier Toshiki Kaifu and Canada's Prime Minister Brian Mulroney, in a joint news conference, said they would not oppose a meeting of G-7 leaders with Gorbachev if it was scheduled after summit issues had been cleared.

Britain's Prime Minister John Major, host of the upcoming summit meeting, is seeking a consensus among G-7 members on the issue of whether to invite Gorbachev.

Another report from Moscow adds: Soviet President Mikhail Gorbachev won support on Tuesday from former British Prime Minister Margaret Thatcher for an invitation to an economic summit of the seven major industrial powers in July.

He had spoken by telephone on Monday night to US President George Bush, who has been wavering over

whether to include Gorbachev in the Group of Seven meeting. The Kremlin described the conversation as constructive.

Thatcher, in a speech before the Soviet parliament's foreign relations committee, said western countries could help Gorbachev by extending loans, credits and a summit invitation.

"The west can help by bringing the Soviet Union more fully into the international economic community, for example by inviting President Gorbachev to be associated with the economic summit in London," she said.

"I believe that would be beneficial to the next stage of economic reform."

Thatcher, who resigned as Prime Minister last November, is on a private visit to the Soviet Union at Gorbachev's invitation.

Gorbachev wants to go to the G-7 summit to press a request for billions of Dollars of western aid to back up a new radical reform programme, still being drafted, to transform the Soviet Union into a market economy.

after meeting Gorbachev, increased pressure on Bush and Britain's Prime Minister John Major, host of the upcoming summit.

Italian Prime Minister Giulio Andreotti said last week during a visit to Moscow that Gorbachev should be allowed to attend.

France also supports an invitation, leaving Britain and the United States as the only G-7 members yet to voice approval.

The Daily Izvestia, in a commentary headlined "waiting for aid from the Seven", said on Tuesday the decision was up to Bush.

He has said the Soviet Union must first demonstrate its ability to radically reform the economy before receiving significant aid.

Vitaly Ignatenko, the Soviet presidential spokesman, told a news conference that Bush had called Gorbachev on Monday evening and their conversation had been "constructive and interesting".

Ignatenko said they had agreed to hold a superpower summit, but no date had been set.

France to help rehabilitate coastal fishermen

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France to help rehabilitate the coastal fishermen badly affected by the devastating cyclone and tidal bore. The country plans to provide fishing equipment, net, boats and trawlers to the affected fishermen after its delegation makes an assessment of the total damage.

This was stated by two French city mayors Philippe Schmit and Claudie Charman in a meeting with the Health Minister Choudhury Kamal Ibne Yusuf at his office on Tuesday. State Minister for LORD & Cooperatives Kabir Hossain was also present in the meeting. The delegation will make a two day visit to the affected areas of Chittagong and Cox's Bazar.

The team was also apprised by the Health Minister about the health and sanitation requirements of the cyclone affected people. The leader of the delegation assured the Minister that French government would consider sending essential medicines, medical equipment for the affected hospitals and the people of the area. Some doctors will undergo training in France. First batch of the doctors will be

Depressed economy of France may recover

PARIS, May 29: French Finance Minister Pierre Berezgouy warned on Tuesday that France had to tighten sales tax to reduce budget deficits, but forecast that the depressed economy would recover during the second half of the year, reports AFP.

Berezgouy, who acquired dominant functions in the new government formed by Prime Minister Edith Cresson, also played down a comment by Mrs. Cresson on Sunday that she didn't "care for the stock market".

Mrs. Cresson knew the stock market well, he said in a broadcast interview. "She has worked for a company (the Schneider engineering group) and was obliged to raise money to make a very big investment in the United States (to take over squared)".

"The stock market is where companies obtain finance," Berezgouy said.

"The stock market is irreplaceable. Moreover stock markets are being created and Poland and the Soviet Union are seeking our advice. There is no question of closing the stock market. It is not my in-

tention to do so, nor that of Mrs. Edith Cresson.

He said, "the problem which is raised, is that when profits are mad on the stock market through speculation, it is normal that taxes must be paid."

In the new government formed by Prime Minister Edith Cresson, Berezgouy won control of a so-called super ministry responsible for the economy, finance, the budget, industry and trade.

He said that on Wednesday he would urge the cabinet to approve a bill to increase the rate of sales tax on some items "in response to the need to master the budget deficit" when growth and revenue from taxation were slowing down.

The minister said that the government "has taken rather too long to balance the accounts of the social security system". He recalled that he had balanced the accounts in 1982 by "increasing some receipts" and by "controlling expenditure", and said that "what was done in a difficult economic situation can be done now."

Exchange Rates

Table showing exchange rates for various currencies including Rupee, Taka, and others as of May 29.

Pak steel mills to suffer loss

KARACHI, May 29: The Pakistan Steel Mills near Karachi will suffer a loss of nearly 500 million Rupees (about 20 million Dollars) in the current financial year ending June 30, officials said Tuesday, reports AFP.

They mainly blamed the loss of working hours at the Soviet-built mills due to ethnic disturbances in the area last year.

Steel mills officials said that the plant had been running on 97 per cent production capacity for the past six months. But the losses suffered last year could still not be fully made up.

IDB opens annual meeting in Cairo

CAIRO, May 29: The Jeddah-based Islamic Development Bank (IDB) opened its annual meeting in Cairo, reports Reuter.

Egyptian Prime Minister Atef Sedki inaugurated the two-day meeting attended by finance ministers and other representatives of the 44-member countries. Iran and Kuwait sent delegation but Iraq did not.

The IDB, with a capital of around 2.5 billion Dollars, provides financing for projects and trade in Islamic communities and countries around the world. It aims to avoid the payment and receipt of interest, banned under Islamic law.

Karachi port resumes partial operations

KARACHI, May 29: Karachi port resumed partial operation Tuesday after outside labour was brought in to break the strike of 6,500 dock workers that began last Wednesday, port sources said, report AFP.

CORRIGENDUM

In our two items on the seventh meeting of the Consultative Committee of Ministry of Industries published in the Business page of our issue on May 29, 1991, the Minister of Industries Shamsul Islam Khan was inadvertently mentioned as Minister of State. We regret for the mistake.



The sixth annual general meeting of the United Insurance Company Limited was held at a local hotel in Dhaka on Monday. Moyeedul Islam, Chairman of the Company presided over the meeting.

Gold & Silver

Table showing gold and silver prices for May 29.

Hides & Skin

Table showing prices for various types of hides and skins (Wet/Salted) for May 29.

Snippets

Gulf crisis costs Pindi \$700m

ISLAMABAD, May 29: The Gulf crisis cost Pakistan 700 million Dollars in higher fuel costs, loss of remittances and trade, largely wiping out a substantial expected reduction in the current account deficit, the Finance Ministry said on Tuesday, reports Reuter.

The annual economic survey published ahead of Thursday's budget said the deficit in the year to June 30 would, however, be marginally lower than last year's 1.89 billion Dollars.

The stubbornly high fiscal and external deficits were areas of concern, with the budget shortfall expected to be six per cent of Gross Domestic Product (GDP) well outside targets set by the International Monetary Fund (IMF).

UK money rates open steady after holiday

LONDON, May 29: Sterling interbank rates were little changed in quiet trading as the market reopened after yesterday's public holiday, reports Reuter.

Dealers are not expecting a further reduction in UK base rates for some weeks after last Friday's half point cut to 11.5 per cent.

"Although there is certain to be at least one more interest rate cut before the end of this year, it is extremely unlikely to be in the near future," one dealer said.

France to extend VAT to help curb budget deficit

PARIS, May 29: The French Cabinet will discuss on Wednesday a bill that will increase government revenues by about two billion Francs this year by raising value-added tax (VAT) rates on some goods and services and extending it to others, reports Reuter.

Officials said the bill, in line with the need to harmonise tax rates in the European Community, will increase VAT on horticultural products and some travel agency services to the standard French rate of 18.6 per cent from the reduced 5.5 per cent rate.

French held for gold smuggling

KATHMANDU, May 29: A French national named as G. Francis was arrested Monday by Kathmandu airport customs for trying to smuggle 3.84 Kilos (8.45 Pounds) of gold worth 1.8 million Rupees (559,000 Dollars) into Nepal for sale on the local market, a customs official said Tuesday, reports AFP.

The official said Francis had hidden a gold bar in the false bottom of hand baggage.