

### Consumer prices doubled last year in Third World

WASHINGTON, June 5: Prices paid by the average Third World consumer more than doubled last year but held to a steady 5 per cent rise in the industrial countries, the International Monetary Fund (IMF) reported, says AP.

The Fund monitored 23 industrial countries, led by the United States. Reporting faster than the governments in the Third World, they found their 5 per cent annual rate continuing through the first three months of 1991.

In its monthly "IMF Memorandum," made public this week, the fund called attention to the sharp rise of inflation in Brazil. It reached 2,938 per cent in 1990. That is, a basket of goods costing 1,000 Brazilian Cruzeros (now about 3.63 US dollars) at the beginning of 1990 would have cost nearly 30,000 Cruzeros by Christmas time.

In Europe the biggest inflation was in Poland — 585 per cent for the year. The Fund did not give figures for the Soviet Union.

### Japan, US may help India to avoid defaulting debt

WASHINGTON, June 5: Japan and the United States are trying to help cash-strapped India come up with enough money to avoid defaulting on its 70 billion dollars in foreign debt, diplomats and analysts said on Tuesday, reports Reuter.

The extra assistance, which could include a 220 million dollar emergency loan from the International Monetary Fund (IMF) and an additional 100 million dollars from Japan, is designed to help India cope with a short-term credit squeeze until a new government can enact economic reforms later this year.

"This is an old fashioned balance of payments crisis," said James Clad, a senior associate at the Washington-based think-tank Carnegie endowment for international peace, "India is really broke."

Diplomats said IMF has discussed with India's caretaker government a 220-million-dollar compensatory financing loan to help the country cope with the economic impact of the Gulf crisis, particularly last year's sharp oil price rise.

### Sharp fall in share trading

Star Economic Report

Trading at Dhaka bourse witnessed a sharp fall on Wednesday.

The Composite Index of Dhaka Stock Exchange (DSE) fell markedly to 291.6479 points from Tuesday's 317.4238, as decliners dominated transactions.

Index is the broad indicator of price movements of all the listed stocks.

In all only 1,182 shares and debentures changed hands compared with Tuesday's 8,912. Traded issues valued Taka 71,193.00 from Tuesday's Taka 2,49,749.00.

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

BTC in the Food and Allied sector declined Taka 25.00 to Taka 35.00.

Quasem Drycells and 4th JCB Mutual Fund lost Taka 0.05 and Taka 1.00 to Taka 8.25 and Taka 141.00 respectively. Oxygen advanced Taka 1.08 to Taka 48.50.

Quoted Prices of Traded Stocks June-5

### 5 lakh tons salt in stock Import unnecessary to meet deficit: BSCIC

By Asiuzzaman

The import of salt is at present unnecessary though domestic production suffered setbacks because of the devastating cyclone and tidal surge of April 29, Bangladesh Small and Cottage Industries Corporations (BSCIC) sources said on Wednesday.

The sources said that annual domestic demand for salt was about six lakh tons and the corporation had targeted at achieving salt autarky by 1990-91.

The country has now a stock of about five lakh tons. Fresh production will begin from next November, the BSCIC sources added.

The salt farmers along the coastal belt produced 6.35 lakh tons during the last season till April 28. Moreover, stocks at different godowns before the cyclone stood at 33 thousand tons. Total loss of salt (in salt-bed and godown) because of the cyclone and tidal surge is estimated at two lakh tons.

Salt is produced mainly in Chakoria, Kutubdia, Moheshkhali, Teknaf and Cox's Bazar Sadar upazilas which were badly battered by cyclone.

Satkhira is also a salt producing zone under the BSCIC programme.

The authorities distributed only 14 lakh Taka as loans

### Demand for tea varieties rises

Star Economic Report

Tea market is expected to rise further as demand for varieties is being increasingly witnessed in its weekly sale in Chittagong. Buyers are particularly interested for well made brokens.

On Tuesday, most prices improved further with strong competition among the experts was witnessed in Sale Number 5. Market sources cited Russia, Iran and Poland as the major buyers. Pakistan operated for the Green tea. Egypt was quiet. Heavy rains in the tea growing areas are likely to reduce the leaf output. Arrivals continue to be negligible.

There were 10,216 packages along with 159 packages of old season teas on offer. Improved export activity led to generally dearer rates, particularly the well made bold brokens which were keenly contested for.

**ORTHODOX:** Whole leaf grades sold at attractive rates with the TGFOP's selling at Tk 75 and FOP's between Taka 63-Taka 65. Two lines of brokens sold between Taka 48.00 and Taka 48.20.

**CTC:** Brokens were generally fully firm to often dearer by upto a Taka with the well made bold brokens attracting wider attention from the exporters. Selective brokens fetched between Taka 54.50 to Taka 56. Most fannings were generally dearer at between Taka 0.50 to a Taka with a few lines selling between Taka 56.00 and Taka 57.80.

**DUST:** 1,939 packages along with 66 packages of 1990 season teas were offered. Good demand led to firm to dearer rates with the cleaner and powdery descriptions inclining sharply.

**SALE NO. 6** will be held on June 11, 1991 at 8.30 a.m. in which total offerings will comprise of approximately 13,000 packages leaf and 2,000 packages Dust.

**SALE NO. 7** scheduled to be held on June 1, 1991 and catalogues have closed with the arrivals of May 28, 1991.

comment on the reports. India, whose credit rating has plummeted because of dwindling foreign exchange reserves, spiralling foreign debt, and political uncertainties specially after Rajiv Gandhi's assassination, has found it all but impossible to borrow abroad lately.

Foreign exchange reserves as of May 17 were 26.2 billion Rupees (1.3 billion dollars) against 32.4 billion a year ago.

India's foreign debt as of March 1990 was 70 billion dollar. But about four billion dollar that total is fast-revolving, short-term debt on which India is scrambling to avoid default.

The country has a tremendous appetite for gold, particularly the jewellery industry, and a huge stockpile of confiscated bullion.

### Gold & Silver

June-5 (Taka for 11.66 grams)

Gold	6,000.00
Tejabi	6,300.00
Outsra	200.00
Silver	200.00

### Hides & Skin (Wet/Salted)

June-5 (Taka per 100 pieces)

Cow	10,000.00	12,000.00
Light	25,000.00	30,000.00
Medium	30,000.00	35,000.00
Heavy	44,000.00	50,000.00
Very heavy	50,000.00	55,000.00
Rejected	18,000.00	20,000.00

Source: Department of Agricultural Marketing

### Iraq blocks OPEC Secretary General re-election

VIENNA, June 5: Iraq on Tuesday blocked the re-election of Dr. Subroto of Indonesia as OPEC Secretary General, an informed source said here after the first working session of an OPEC ministerial conference.

Dr. Subroto would say only that the "nomination of the Secretary General" would be discussed by Organisation of Petroleum Exporting Countries (OPEC) oil ministers later in the day.

The current OPEC Deputy Secretary General is Ramzi Salman of Iraq, who was named to the post before Iraq's invasion of Kuwait in August.

### Soviet bid to mollify conservative critics

MOSCOW, June 5: The Soviet government tried on Tuesday to mollify conservative critics in Parliament who are angry that Moscow's overtures to the West appeared to reduce the country from global superpower to world-class beggar, reports Reuter.

First Deputy Prime Minister Vladimir Shcherbakov told Parliament the Kremlin was seeking economic integration, not naked handouts, from Western economic powers.

Shcherbakov, responding to deputies' formal demands for clarification of the government's policy, denied reports Moscow was seeking up to 50 billion dollars a year in aid, and said any requests were still being formulated.

He added that government policy would remain in line with an economic programme already approved by the conservative Supreme Soviet, or Parliament.

### OECD support to combat money laundering

PARIS, June 5: The OECD has agreed to provide the Secretariat for an International Group combatting money laundering, the French Finance Ministry said on Tuesday, reports Reuter.

The Ministry which is current Chairman of the Financial Action Task Force (FATF), also said in a statement that Switzerland had agreed to chair the group for a year, to be followed by Australia.

FATF ministers said after a progress meeting that the laundering of money generated by major criminal activities, in particular drug trafficking, created uncertainty for the reliability of financial institutions.

"As money laundering channels can be displaced very rapidly, threat," the FATF statement said.

Ministers from the Organisation for Economic Cooperation and Development, which groups leading industrialised countries, are holding two days of talks in Paris.

### India sells 20 tons of gold for foreign currency

NEW DELHI, June 5: India, in desperate need of foreign exchange, has sold 20 tons of gold in Zurich for 240 million dollars bankers and diplomats said, reports Reuter.

The sales took place in the last week of May and are described as a "gold swap" by banking sources in Bombay involved with the transactions.

India is putting up the gold as loan collateral and has the option of buying back the bullion later at prevailing world market prices or of paying off the loan, said one banker who did not want to be named.

Trade sources in Bombay said India is preparing to sell at least another 10 tons of gold on the international market.

Officials in the caretaker government of Prime Minister Chandra Shekhar declined to

### 93 pc BTMC bad debt liabilities of disinvested textile mills

By S.Y.Bakht

More than 90 per cent of the bad debt shown against Bangladesh Textile Mills Corporation (BTMC) in the recently published defaulters list are the liabilities of the textile mills disinvested in the early 80s, according to BTMC sources.

Of the Taka 244.91 crore bad debt, 93 per cent of that amount are the liabilities of the 20 textile mills privatised in 1982.

It was stipulated at that time that assets along with the existing liabilities of the mills were to be transferred to the new owners. Although the 20 units were transferred in 1982, agreement on transferring the liabilities was never reached, an official of the Corporation said.

There was to be a tripartite agreement involving the respective banks, the Corporation and the owners of the disinvested units in presence of a representative of Ministry of Industries.

Such an accord was to be reached on a tentative basis on



Chairman of Bangladesh Finished Leather Exporters Association, AKM Rahmat Ullah addressing a press conference at a city hotel Wednesday (Story on Page -1) —Star photo

### OPEC to keep oil output steady

VIENNA, June 5: OPEC ministers agreed on Tuesday to keep oil output steady for the next three months, striking a compromise designed to support prices until demand for crude picks up later this year, reports Reuter.

All 13 ministers agreed to extend the Group's 22.3 million barrel per day (BPD) second-quarter production ceiling into the third quarter, Iranian Oil Minister Gholamreza Azqadeh told reporters.

The decision represents a trade-off between members demanding output cuts and others prepared to pump more oil.

Azqadeh, who spoke to reporters as he returned to a closed meeting of Ministers, did not provide any more details.

Other ministers had not emerged from the session. Saudi Arabia, the world's biggest oil exporter and OPEC's dominant power, had rejected any production cut to boost prices, now more than three dollars below OPEC's target of 21 dollars a barrel.

Iran, the Group's second-largest producer, had ruled out boosting production, concerned such a step could push prices even lower.

Ministers will meet again in September to discuss fourth-quarter output and to try to orchestrate a smooth resumption of Iraq and Kuwaiti production knocked off world markets by the Gulf crisis.

### UK govt summons leading bankers

LONDON, June 5: The British Government has taken the unusual step of summoning leading commercial bankers to top-level meetings to impress on them the importance of passing on interest rate cuts to customers, reports Reuter.

Prime Minister John Major told parliament on Tuesday that the Bank of England and the Treasury was investigating the record of banks setting interest rates for small business.

"I am very concerned about the growing level of complaints we have heard from small businesses that they are being harshly treated by their banks," Major said.

His comments were the toughest in a series of reminders to financial institutions of the need to pass on

### Snippets

#### West asked to stop aid to USSR

LOMZA (Poland), June 5: Lithuania's Vice-President has said the West should not aid the Soviet Union unless Moscow promised to respect the desire of the Baltic states to become independent, reports Reuter.

"The time has come for concrete decisions, one of these decisions is to give or not to give the money and at the same time to help or not to help the Baltic states," Vice-President Ceslovas Stankevicius told reporters on Tuesday.

Stankevicius was speaking during a trip to Poland to attend Pope John Paul's special meeting with Lithuanian religious and political leaders on Wednesday.

#### Sino-Burmese joint trade fair

BANGKOK, June 5: The first joint Sino-Burmese joint trade fair has opened in a northern Burmese town bordering China, state-run Radio Rangoon said Monday, reports AFP.

The Radio, monitored here, said the trade exhibit and emporium opened May 28 at the Mu-Se Hotel in Mu-Se township.

More than 500 items of Burmese products from 11 state-owned and 10 private firms and goods from 63 Chinese firms were displayed, it said.

#### US Treasury to sell \$20b Bills

WASHINGTON, June 5: The US Treasury said it will sell 20.0 billion dollars of three- and six-month Bills at its June 10 auction, reports Reuter.

The auction, to be evenly divided between both issues, will raise about 1.3 billion dollars as 18.699 billion dollars in bills are maturing.

The three-month Bills mature September 12, 1991 and the six-month Bills mature December 12, 1991. The Bills will be issued on June 13.

#### EC bans on sucking tobacco sale

LUXEMBOURG, June 5: European Community (EC) Health Ministers of Tuesday decided to ban the sale of sucking tobacco, a relatively new product on the market, a spokesman for the European Commission said, reports AFP.

Portions of tobacco for sucking or which melt in the mouth are beginning to appear in Northern Europe in Sweden, Denmark, and Germany, but are largely unknown to consumers elsewhere in the Community.

The EC health ministers decided to ban their sale in the 12 EC countries with effect from December 31, 1994 at the latest, a Commission spokesman said.

#### Toshiba Europe fined

BRUSSELS, June 5: The European Commission is set to fine electronics firm Toshiba Europe more than two million dollars on Wednesday on charges it illegally controlled sales to keep prices higher, Commission sources said on Tuesday, reports Reuter.

The sources said the European arm of Japan's Toshiba Corp had ordered distributors in many European Community countries not to sell goods for export to other EC states where it was offering the same goods at higher prices.

#### Fuel prices rise in Bulgaria

SOFIA, June 5: Steep price increases go into effect Wednesday for gasoline, electricity and other fuel, reports AP.

The increases will also mean higher prices on goods for Bulgaria's already-struggling consumers.

A government decree Tuesday announced that energy prices would increase by 70 per cent and some grades of gasoline by nearly 90 per cent.

The board coalition government of independent Premier Dimitar Popov is faced with the daunting task of overhauling the economy ravaged by decades of Communist mismanagement.

#### Trade delegations to visit South Africa

JOHANNESBURG, June 5: A record number of trade delegations are due to visit South Africa in the near future signalling a "softening of attitudes to trading sanctions", the Johannesburg Chamber of Commerce and Industry (JCCI) said in a statement on Monday, reports AFP.

Among the delegations due shortly are ones from Argentina, Brazil, Chile, Britain, Portugal, Belgium and Spain, the statement said.

### Raw Jute

June-5

Kutcha bales			
FOB * Narayanganj/Daulatpur Varieties (Tk. per 100 Kg)			
	White	Tossa	Meshtia
Medium	1313	1420	1125
Bot. (B)	1259	1367	1098
Bot. (C)	1125	1206	1045
Bot. (X)	991	1045	857

\* FOB = Freight on board  
\* Bot. = Bottom

Pucca bales			
FOB Varieties (Ready) * (Sight) **			
Bangla	Tk. per	\$ per	
White	bale*	MT*	
BW SPL	3350	555	
BWA	3250	530	
BWB	3100	480	
BWC	2700	430	
BWD	2400	380	
BWE	1900	350	

Bangla Tossa			
BT SPL	3400	565	
BTA	3350	440	
BTB	3200	490	
BTC	2750	440	
BTD	2450	390	
BTE	2000	360	

White Rejection (WRS)/Tossa Rejection (TRS):			
Liabjabi, Cut Ropes			
BWR	1700	290	
BWI	1350	220	
BTR	1800	300	
BTI	1450	230	
BCR	1300	230	

White/Tossa			
Cutting			
HWCA	1500	235	
HWCB	1350	220	
BTCA	1650	250	
BTCB	1550	235	

Meshtia			
Spl.	1950	355	
A	1900	345	
B	1800	330	
C	1600	295	
SPL Cuttings	1000	175	
Ord. Cuttings	900	170	
SMR	1125	200	

\* FOB ready = Narayanganj  
\*\* FOB sight = Chittagong/Mongla Ports. Indicative Price at which sales may be considered for EPC registration. The \$ prices are exclusive of any selling commission. 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 thousand mounds. (One mounds is equal to 37.32417 KOs.)  
Source: Bangladesh Jute Association

### Exchange Rates

June-5

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			
FC	Selling	Buying	
US Dollar	35.9226	35.4432	
UK Pound Sterling	60.8923	60.1690	
German Deutsche	20.5507	20.2648	
Other Unit of Foreign Currencies (FC) for Taka			
French Franc	6.0680	5.9840	
Saudi Riyal	9.6101	9.4819	
Dutch Guilders	18.2394	17.9859	
Pakistan Rupee (AMU*)	1.5041	1.4897	
Singapore Dollar	20.3148	20.0436	
UAE Dirham	9.8141	9.6831	
Kuwait Dinar		Not available	
Indian Rupee			
AMU	1.7040	1.6879	
S. Kromer	5.7357	6.6546	
*AMU-Asian Monetary Unit			
SECONDARY EXCHANGE MARKET			
Wage Earners Fund/Export Performance Benefit (XPB) Fund			
	Buying	Selling	
US Dollar	36.48	36.53	
UK Pound	61.87	61.92	
Sterling			
* The rates of Pound Sterling are declared every day, based on the cross-rates of New York market			
Source: Small Bank			

### Dhaka Stock Exchange Market Profile

June-5

134 Listed stocks

1 Gains, 3 Losers, 130 Unchanged

130 Unchanged stocks include four traded on the day at their previous quoted prices.

DSE All Share Price Index = 291.6479  
Issued Capital=Taka 10,146,289,601.00  
Market Capitalisation = 8,333,913,164  
Turnover = Taka 71,198.00 (Value) 1,182 (Volume)