Kuwait, Iraq clash at OPEC meet

VIENNA, June 7 : Bad feeling spawned by the Gulf crisis spread to OPEC's meeting in Vienna this week when the oil chiefs of Kuwait and Iraq sat at the same bargaining table, reports Reuter.

Iraqi Oil Minister Usama Abdel-Razzaq, whose country set the stage for the Gulf war by invading Kuwait last August, and Kuwaiti Oil Minister Hamoud Abdulla Al-Raqba crossed swords repeatedly at the twice-yearly OEPC meeting which ended after just one day on Tuesday.

The two men clashed over the reappointment of Indonesia's Subroto as Se-cretary General of the Org-anisation of Petroleum Ex-porting Countries.

They also argued over whether OEPC should ask the world to help Kuwait handle environmental damage from hundreds of burning oil wells, torched by Iraqi soldiers as they withdrew.

They disagreed on whether OPEC should back Iraq in its effort to get United Nations economic sanctions lifted.

Asked on Wednesday if it was hard to sit at the same table with Abdel-Razzaq, Kuwait's Raqba replied : "No, I did not give a damn."

Cyclone-damaged roads being rehabilitated

Star Economic Report

Work on the emergency cyclone road rehabilitation programme is in progress and expected to be completed by the end of this month.

The emergency rehabilitation programme was taken up after the devastating cyclone of April 29 by the Local Government Engineering Bureau (LGEB) in 57 upazilas of nine districts. LGEB is the project implementing agency of the Ministry of Local Government, Rural Development & Cooperatives.

The scheme is being implemented in the worst affected coastal areas with assistance for World Food Programme (WFP). WFP provided 5000 metric tons of wheat for the project.

The cyclone and tidal had left a trail of devastations in the coastal belt. Under the scheme, rehabilitation of the worst affected important rural roads was taken up in nine districts covering 57 affected upazilas. The total road length to be repaired and rehabilitated under this programme is 410 kilometres, LGEB sources said.

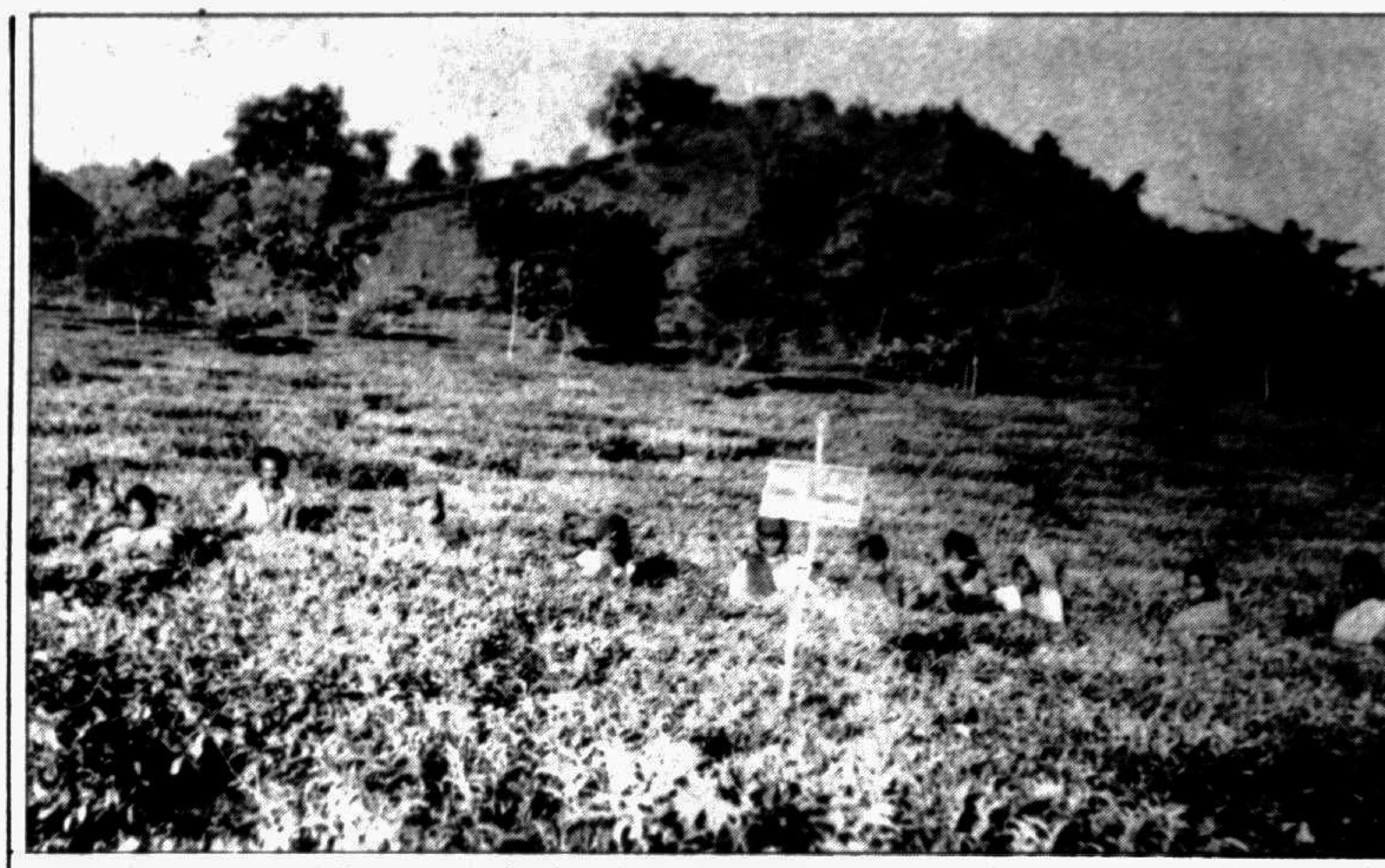
The objective of the programme is to rehabilitate the worst affected rural roads, create employment opportunities for the affected people and get rid of dependency of the people on government's gratuitous relief, the sources said.

With the completion of the project, communication to the remote rural areas of the coastal areas will become easier resulting in enhancement of economic activities, the sources further added.

Pak Rupee devalued

KARACHI, June 7: Pakistan's central bank marked the Rupee down ag-ainst the Dollar and is likely to let it slide until the end of the financial year on June 30, a foreign currency trader said, reports Reuter.

Mumtaz Ahmad Khan said the Rupee could fall to 24.25 to the Dollar by June 30, compared with 21.7900/21.8990 at the start of the financial year on July 1, 1990.



Tea gardens mostly in Sylhet which fetch valued foreign currency are not in a good position now. Photo shows female workers plucking tea leaves to be processed for export and domestic consumption. —Star photo

Kaifu may end Japan's rice import ban

TOKYO, June 7 : A once politically unthinkable idea is gradually taking root in Japan, that Prime Minister Toshiki Kaifu will take the painful decision to open the country's fiercely protected rice market to limited imports, reports Reuter.

"Despite denials by Kaifu's aides and the Ministry of Agriculture, the press is constantly informing people of the possible options and the most favourable way for the country to open its rice market," an agriculture analyst said. Japan, which annually consumes about 10 million tons of its staple grain, currently bans rice imports and subsidises rice farmers.

Many analysts here now believe Japan is likely to let in rice limited quantities, under strict government control,

20 tons gold sale saves India for a few weeks

NEW DELHI, June 7 : The sale of 20 tons of confiscated gold has rescued India for only a few weeks, and the next government will have to act quickly to avoid defaulting on loans, Finance Minister Yashwant Sinha said Friday, reports AP.

Sinha said India raised enough capital to repay immediate short term loans, calculating that a new government will be installed by June 20, five days after general elections are over.

If the formation of a government is delayed by complicated coalition bargaining, India will have to take more emergency action, he told a news conference.

"We are in a comfortable situation for the next few weeks," Sinha said. "But the new government will have to get down to business at once."

India raised about 200 million Dollars in a gold swap with a commercial Swiss Bank, with an option to repurchase the 19.6 tons of gold at the same price.

The gold came from supplies seized from smugglers by customs patrols and was lying idle in the state banks. "It is not the family jewels that we are trying to sell," he said.

Major opposition parties criticized the deal, saying the caretaker government was in no position to make a major transaction with the nation's gold reserves.

Sinha said the government had no choice, and called the threat of defaulting on loans an unprecedented crisis for independent India.

"We shall maintain India's proud and unblemished record of honouring our international commitments," he said.

S Arabia borrows $ 2.5b to meet war cost

CAIRO, June 7: The Saudi government has borrowed 2.5 billion US Dollars from local banks to meet the costs of the Gulf war, a report from Riyadh said Wednesday, reports Xinhua.

It was the second loan the oil Kingdom sought this year to help pay a 13.5 billion Dollar pledge in cash and ground support services for the Gulf war to drive Iraq out of Kuwait, diplomatic sources in the Saudi capital said.

The new deal was put together by National Commercial Bank and Riyadh Bank, the two largest banking institutions in the Kingdom, banking sources said.

The five-year credit was signed in Riyadh last week, they said, adding that terms on the foreign borrowing were more attractive than the local deal.

Last month, Riyadh signed a 4.5 million Dollar loan provided by a group of foreign institutions led by Morgan Quaranty Trust Co of the United States.

Leather producers look for favourable export policy

By Nazmul Ashraf

Producers of wet-blue leather and those of crust and finished leather are now locked into confrontation over the question of leather export policy.

Owners of wet-blue leather industries recently demanded re-introduction of export of their goods while the exporters of crust and finished leather strongly opposed the demand saying it would deepen the existing crisis of the country's 100 per cent export-oriented leather industries.

The government banned export of wet-blue leather in mid last year following its 1987 announcement in this regard. Under the new policy only crust and finished leather are being exported since July 1990.

The policy was adopted with a view to increasing export earnings from leather sector, helping the exporters compete the world leather market and flourishing high-tech leather industries in the country.

Wet-blue Leather producers' Association justifying its demand said huge quantity of wet-blue leather costing about Taka 135 crore were now lying unsold at different tanneries of Hajaribagh. The finished leather producers were unwilling to buy those, it added.

The wet-blue leather producers also informed that following imposition of ban on their products' export, they were facing deep economic crisis. Some of the producers were included in the nationalised banks' defaulters list.

On the other hand, the crust and finished leather producers denied the wet-blue leather producers' claim and accused them of conspiring to destroy the country's leather sector for the interest of vested quarters.

Opposing re-introduction of wet-blue leather export, Bangladesh Finished Leather Exporters' Association (BFLEA) Chairman AKM Rahmat Ullah said the step would deprive 40 units of BFLEA of raw materials. The units have a production capacity of 150 square feet. But those are now supplied with 120 square feet of leather. Besides, he said, the government permitted 25 more units for modernisation and some of the units have already started production of crust and finished leather. Therefore, the BFLEA Chairman argued, the raw materials supplied by the wet-blue industries to 55 units including 40 of BFLEA and 15 of BMRE (Balancing, modernisation, rehabilitation and expansion) was far less than requirements.

According to sources, production of the finished leather industries declined during the pre-mid-1990 period since wet-blue leather were exported depriving the finished leather industries of their raw materials. Ban on wet-blue leather export enabled the finished leather producing units to go for full production, in last one year.

The finished leather exporters have to face tough competition in the world market. For this, government patronisation was a must, concerned circles opined.

India, the main competitors of Bangladesh in leather export, banned export of wet-blue 15 years back to encourage export of crust and finished leather and the Indian government also subsidises these sector, sources said.

According to information available, the foreign buyers of wet-blue leather were forced to purchase crust and finished leather produced in Bangladesh during the last one year. If they are again supplied with wet-blue leather, the crust and finished leather industries would be thrown into an uncertain future and exporter commented.

Following ban on wet-blue leather export, some of the BFLEA have already gone for production of leather goods and the products are being exported.

Experts viewed that the export-oriented leather industries should be given more emphasis to help those overcome prevailing crisis including fall in export caused by the Gulf war, changes in national politics and the devastating cyclone and growth of national economy.

M Mujibul Huq and R M H Duncan, Chairman and Managing Director of BTC handing over a donation of medical supplies worth Taka 18 lakh to Health Minister Choudhury Kamal Ibne Yusuf on Thursday. The medical supplies were sent by British American Tobacco Company Ltd for the cyclone and tidal surge affected people.

Iran, S Arabia clash over OPEC output

VIENNA, June 7 : Iran and Saudi Arabia clashed on Wednesday over output of the Organisation of Petroleum Exporting Countries (OPEC), Iran opposing an increase in the OPEC production ceiling for the year's last quarter unless crude prices reach 21 Dollars a barrel by September, reports AFP.

But Saudi Arabia argued for a significant increase in production, a day after OEPC oil ministers meeting here decided to maintain current production levels for the third quarter and turned down an Iraqi request for help in ending the international embargo on that country.

Hence the production ceiling remains at 22.3 million barrels a day for the third quarter. The Organisation decided to call a meeting of the monitoring committee for late September in the light of a possible return of Iraq and Kuwait to the world oil market and of demand trends.

OECD for early end of GATT talks

PARIS, June7: OECD members agreed that GATT world trade talks must be brought to a successful conclusion as soon as possible and preferably before the end of the year, reports Reuter.

"The Uruguay round has the highest priority on the international economic agenda," ministers of the Organisation for Economic Cooperation and Development said in a communique.

The ministers agreed that the Uruguay round of trade talks" must be brought to a substantial and comprehensive conclusion as early as possible, preferably before the end of the year.

Political decisions to overcome major existing differences are needed by all participants without delay, they said.

USSR urged to boost self growth prospects

PARIS, June 7: Western ministers urged the Soviet Union to bite the bullet of economic reform and give a boost to their own growth prospects by vowing to try to wrap up world trade talks by the end of the year, reports Reuter.

Finance, trade and foreign ministers ended two days of talks at the Organisation for Economic Cooperation and Development (OECD) with a statement of concern about the collapse of the Soviet economy and said fundamental reform was the only answer.

"That message remains valid. They (ministers) hope that the USSR and the republics would move quickly to introduce the broad range of ... reforms necessary to move to a market economy," the OECD said.

The communique was a foretaste of what Soviet President Mikhail Gorbachev can expect if, as now seems likely, he attends next month's economic summit in London.

President George Bush has told British Prime Minister John Major that the United States would not object to inviting Gorbachev, US officials said on Wednesday.

Western officials immediately sought to play down the prospect of extensive aid for Moscow coming out of the July 15-17 summit, which will bring together the seven leading industrial nations.

"We should be careful about creating expectations that cannot be realised," Dutch Finance Minister Wim Kok said.

Canadian Trade Minister Michael Wilson said the West could offer technical assistance and policy advice on how to discard 70 years of central planning and move toward a free market.

"But it has been made pretty clear by a number of countries that until there is a significant demonstration of the will to take those decisions on reform, and the actual implementation, there is simply not money available," he said.

OECD ministers said they were particularly concerned about the impact that the decline in the Soviet economy

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on May 30 and June 6, 1991.

Company	EV/ML*	May 30 Taka	June 6 Taka	1990-'91 High Taka	1990-'91 Low Taka
BANKS (Ten)					
AL Baraka Bank	1000/1	730.83	740.00	1135.00	725.00
A.B Bank	100/5	180.00	180.00	255.00	135.00
City Bank	100/5	268.00	268.00	275.00	160.00
I.F.I.C	100/5	190.00	190.00	235.00	140.00
Islami Bank	1000/1	1196.67	1200.00	1200.00	925.00
National Bank	100/5	114.50	114.50	145.00	102.00
Pupali Bank	100/5	110.00	110.00	115.00	90.00
Rupali Bank	100/10	80.00	80.00	130.00	75.00
U.C.B.L	100/5	130.00	130.00	155.00	130.00
Uttara Bank	100/5	214.00	214.00	240.00	193.00
INVESTMENT (Eight)					
I.C.B	100/5	97.00	97.00	117.50	90.00
1st ICB M.Fund	100/5	422.00	422.00	575.00	405.00
2nd ICB Fund	100/5	190.00	190.00	220.00	170.00
3rd ICB M. Fund	100/5	154.00	155.00	173.00	143.00
4th ICB M. Fund	100/10	143.00	141.00	161.00	133.00
5th ICB M. Fund	100/10	125.50	125.75	142.00	115.00
6th ICB M. Fund	100/10	92.50	92.00	104.00	85.00
ICB Unit Cert.					
Sales Price		132.00	132.00		
Re-purchase		127.00	127.00		
INSURANCE (Four)					
BGIC	100/10	112.00	111.00	117.50	104.00
Green Delta	100/10	115.00	115.00	122.00	104.50
Peoples	100/10	120.00AL	120.00AL	120.00	108.00
United	100/10	111.58	112.50	122.00	105.00
ENGINERING (Nineteen)					
Aftab Automobiles	100/5	202.00	202.00	232.00	194.00
Atlas Bangladesh	1050	36.08	36.00	48.00	35.50
Aziz Pipes	100/5	235.00	235.00	250.00	180.00
Bangladesh Autocars	100/5	105.25	104.00	157.00	104.00
Bangladesh Lamps	100/5	290.00	290.00	365.00	230.00
B.Thai Alluminium	100/10	97.00	98.00AL	110.00	75.00
Bengal Carbide	100/5	400.00	400.00	450.00	320.00
Bengal Steel	10/50	18.00	18.00		
Eastern Cables	100/5	83.93	84.00	109.00	75.00
Howlader PVC	100/10	100.00	105.00	122.00	100.00
Karim Pipe	100/5	110.48	110.00	139.00	110.00
Metalex Corp.	100/5	99.00	99.00	113.00	75.00
Monno Stafllers	10.05	250.00	250.00	250.00	250.00
Monno Jutex	100/5	350.00	350.00	400.00	350.00
National Tubes	100/10	105.00	105.46	137.00	102.00
Panther Steel	10/50	6.00	6.00		
Quasem Drycells	10/50	8.60	8.25	9.30	7.25
Renwick Jajneswar	100/5	65.00	66.00	75.00	40.00
Singer Bangladesh	100/5	1125.00	1125.00	1150.00	1125.00
FOOD & ALLIED (Twenty one)					
A.B Biscuit	100/5	200.00	200.00	290.00	200.00
Alpha Tobacco	10/50	48.00	48.00	48.00	48.00
Aman Sea Food	100/5	36.00	36.00	40.00	36.00
Apex Food	100/5	340.00	340.00	340.00	260.00
Aroma Tea	100/5	45.00	50.00	52.00	45.00
Bangas	100/5	305.00	305.00		
Bengal Food	100/5	147.00XD	142.00	255.00	140.00
B.L.T.C.	100/5	600.00	600.00	600.00	600.00
B.T.C.	10/50	83.00	35.00	83.00	35.00
Ctg. Vegetable	100/'0	96.25	97.50	117.00	90.00
Dhaka Vegetable	100/5	145.50	133XD	192.00	130.00
E.L. Cemellia	100/5	700.00	700.00	700.00	500.00
Progleg Export	10/50	6.00	6.00	8.00	4.00
Gemini Sea Food	100/5	100.00	100.00	100.00	100.00
Modern Industries	100/5	150.00	150.00	150.00	120.00
N.T.C	100/5	265.00	265.00	350.00	220.00
Rabeya Flour	10/100	NT	NT	-	-
Rupan Oil	10/100	6.35AL	7.43AL	9.25	6.00
Tulip Dairy	100/10	90.00AL	90.00AL	105.00	90.00
Yousuf Flour	10/50	NT	NT	-	-
Zeal Bangla	10/50	8.00XD	8.00XD	10.00	7.40
FUEL & POWER (Three)					
Padma Oil Co.	10/50	40.00	40.00	47.00	40.00
Eastern Lubricant	10/50	14.00	14.00	90.00	46.50
Oxyzen	10/50	47.18	48.50	-	-
JUTE (Twelve)					
Ahad Jute	100/10	NT	NT	-	-
Anowara Jute	10/50	NT	NT	-	-
Delta Jute	10/50	8.50	8.50		
Gawsia Jute	10/50	NT	NT	-	-
Islam Jute	100/5	60.00	55.00	63.00	50.00
Jute Spinner	100/5	97.00	97.00	100.00	93.00
Mutual Jute	100/5	100.00	100.00	100.00	50.00
Northern Jute	10/50	NT	NT	-	-
Shamser Jute	100/5	100.00	100.00		
Spcialised Jute	10/50	NT	NT	-	-
Shine Pukur Jute	100/5	94.00	94.00	100.00	93.00
Sonali Aansh	100/5	85.00	85.00	85.00	51.00
PHARMACEUTICALS & CHEMICALS (Fifteen)					
Ambee Pharma	10/50	14.50	14.50	18.25	12.50
Bangla Process	100/5	68.00	68.00	73.00	60.00
Beximco Pharma	100/5	174.06	174.06	182.00	149.00
Glaxo	10/50	125.00	125.00	240.00	125.00
I C I	10/50	10.00	10.00		
Kohinoor Chemical	100/5	72.00XD	72.00XD	93.00	66.00
Petro Synthetic	10/50	15.50	15.50	15.50	10.50
Pfizer	100/5	110.00	110.00		
Phama Aids	100/5	176.00	178.00	200.00	150.00
Phamaco	100/5	39.00	39.00	55.00	40.00
Progressive Plastic	110/5	45.00	45.00	70.00	45.00
Reckitt & Colman	10/50	250.00	240.00	250.00	240.00
Rahman Chemicals	100/10	49.00AL	49.00AL	106.00	49.00
Therapeutics	100/5	40.00	40.00	50.00	35.00
The Ibnsina	100/10	90.00	90.00	105.00	79.00
PAPER & PRINTING (Six)					
Eagle Box	10/50	11.50	12.00	14.50	9.50
Monospool	100/5	110.00	110.00	135.00	98.00
Paper Converting	100/5	110.00	100.00	125.00	100.00
Paper Processing	100/10	106.00AL	106.00AL	115.00	100.00
Padma Printers	10/50	50.00	50.00	50.00	25.00
Sonali Paper	10/50	55.00	55.00	60.00	55.00
SERVICE (Two)					
Bangladesh Hotel	10/50	12.00	12.00		
Bd. Service	10/50	NT	NT	-	-
TEXTILE (Eighteen)					
Alhaj Textile	10/50	NT	NT	-	-
Arbee Textile	100/10	NT	NT	-	-
Ashraf Textile	10/50	32.00	33.00	34.25	27.00
Chand Textile	10/50	NT	NT	-	-
Chand Spining	10/50	NT	NT	-	-
Desh Garments	100/10	95.00	95.00	102.00	95.00
Dulamia Cotton	100/10	95.00AL	96.00AL	107.00	69.00
Eagle Star	10/50	34.48	34.28	42.00	30.00
GMG Ind. Corp.	10/50	13.00	13.00	13.00	10.00
Modern Dying	100/5	35.00	35.00	45.00	32.00
Quasem Silk	10/50	6.30	6.30	8.00	6.00
Quasem Textile	10/50	8.50	8.50	10.00	7.50
Rahim Textile	100/5	50.00	48.00	65.00	48.00
Saiham Textile	100/10	83.00	83.00	103.00	82.00
S.T.M. (ORD)	100/5	12.00	12.00	60.00	12.00
Stylecraft	100/5	100.00	100.00		
Swan Textile	100/5	60.00	60.00	73.00	60.00
Tallu Spinning	100/10	111.34	112.00	123.00	101.00
MISCELLANEOUS (Fourteen)					
Apex Tannery	100/5	142.00	141.00	155.00	135.00
Aramit	10/50	NT	NT	-	-
Bata Shoe	10/100	38.00	38.00	64.00	37.00
Beximco	10/100	9.63	9.60	12.00	8.25
B.S.C	100/5	45.00	45.00	60.00	45.00
Chittagong Cement	100/5	142.50	146.00	165.00	107.00
G. Q. Ball Pen	10/50	58.00	60.00	75.00	51.00
Himadri Ltd.	10/100	NT	NT	-	-
Milon Tannery	100/5	31.00	30.87	54.00	26.00
Monno Ceramic	100/5	145.00	145.00	160..00	127.00
Pheonix Leather	100/5	90.00	90.00	110.00	90.00
Savar Refractories	100/5	105.00	105.00	132.00	105.00
The Engineers	100/5	100.00	100.00		
Usmania Glass	100/5	131.00	132.00	152.00	123.00
DEBENTURES (Four)					
Apex Tannery (17% 1992)	1000/1	1040.00	1040.00	1040.00	875.00
Bengal Food (18.5% 1992)	1470/1	1210.00	1220.00	1800.00	1130.00
Beximco Pharma (17% 1997)	1714/1	1725.00	1725.00	1880.00	1640.00
Quasem Silk (17% 1994)	2000/1	1590.00	1595.00	1590.00	1400.00

★ FV = Face Value* ML= Market Lot NT= Not Traded. AL=Allotment Letter XB= Ex.Bonus/ XD= Ex. Dividend

★ Trading was closed on February 21 because of 'Shaheed Day'

Snippets

Damaged industry runs at 80 pc capacity

MANAMA (Bahrain), June 7: Saudi Arabia's oil refinery at Jubail, damaged by a fire last week, is still running at more than 80 per cent of its 300,000 barrel per day capacity, Saudi oil executives said on Wednesday, reports Reuter.

The executives said a hydrocracker unit at the refinery — a 50/50 joint venture with the Royal Dutch Schell group — had been shut down after a blaze damaged it hydrogen compression section.

They said there were no casualties in the fire and sabotage had been ruled out.

The shutdown had cut production of Naphtha by around 40 per cent, jet kerosene by 10 per cent and gas oil by 20 per cent, they said.

Abu Dhabi plans to raise oil output

ABU DHABI, June 7: The Abu Dhabi company for onshore oil operations, one of the biggest oil firms in the world, plans to increase its production capacity, ADCO General Manager David Woodward said, reports AFP.

"ADCO shareholders have authorised ambitious expansion plans for the company that will lead it to a new level of sustainable production capacity," Woodward said on Tuesday.

Woodward, who replaced fellow Briton Terry Adams at the helm of the company last week, revealed the plans at a ceremony in honour of long-serving ADCO employees.

ADCO, 60 per cent of which is owned by the Abu Dhabi National Oil Company (ADNOC) is among the 10 largest oil companies in the world with estimated reserves of 10 billion barrels.

G-7 ministers may meet before summit

TOKYO, June 7: Deputy finance ministers of the Group of Seven (G-7) major nations may call a meeting of their finance ministers and central bank governors ahead of a July summit in London, Japan's Finance Minister Ryutaro Hashimoto said on Friday, reports Reuter.

"I believe they (the G-7 deputies) are discussing this matter at the OECD meetings," he told a news conference.

Senior economic officials from major industrial nations belonging to the Organisation for Economic Cooperation and Development (OECD) ended a two-day meeting in Paris on Wednesday.

OECD to settle export credit

PARIS, June 7: OECD ministers will agree by the end of the year to reduce substantially trade and aid distortions that result from the use of subsidised export credits and tied aid credits, the ministers promised in a communique, reports Reuter.

As expected, ministers of the Organisation for Economic Cooperation and Development (OECD) failed to agree on measures to cut subsidised export credits to poor countries or to curb tied aid export credits with grants attached.

They said, however, that there was a need for a balanced agreement to reduce substantially such credits and aid, and committed themselves to reaching a pact by the end of 1991.

Iraq to replace diverted food

BAGHDAD, June 7: The Iraqi government has undertaken to replace World Food Programme (WFP) shipments that went into the government ration system by mistake, the coordinator of UN operations in Iraq said, reports Reuter.

"They (the government) recognise that it has happened and they are keen to replace it (the food)," Bernd Bernander told Reuter.

The White House accused Iraq Wednesday of "cynically" diverting the food, which was intended for vulnerable groups such as orphans and the sick.

Philippines population growth outpaces GNP

MANILA, June 7 : The government's statistics monitors said Wednesday the Philippines' population is growing much faster than its beleaguered economy, which was almost at a standstill during this year's first quarter, reports AP.

The National Statistical Coordination Board said in a report that the country's real gross national product (GNP) for the first three months of this year grew by only 0.19 per cent, compared with 7.68 per cent in the same period in 1990.

The board said that with a population growth rate estimated at 2.27 per cent, real per capita GNP actually declined by 2.05 per cent in the first quarter.

The GNP measures the total goods and services produced by a country.