

**ADB aid to study recruitment of loan consultants**

MANILA, June 8: The Asian Development Bank has approved a \$96,000 technical assistance grant for a study of the recruitment process of loan consultants in selected developing member countries (DMCs), says an ADB Press release.

The study will examine administrative practices and approval procedures for consultancy contracts in Bangladesh, Nepal and Pakistan. The results will then be analyzed to propose a revised system which would streamline approval procedures and speed up the recruitment process. It is realized that late recruitment of consultants, because of procedural reasons, is often a major factor behind project implementation delays in the DMCs.

**Indian PM defends sale of gold**

JHANSI, (Bihar), June 8: The Prime Minister Mr Chandra Shekhar today defended the sale of 20 tonnes of confiscated gold by the Government, reports PTI.

India was over burdened with foreign debt and if a part of the confiscated gold had been sold to meet its international commitment it would enhance the country's prestige and not lower it, he told an election meeting here.

The Prime Minister said that after the assassination of Rajiv Gandhi forces inimical to the country had started speculation that India would disintegrate. But the people had withstood the challenge by maintaining peace barring some stray incidents of violence.

**Moderate rise in share trading**

The week began at Dhaka bourse on Saturday with a moderate rise in trading.

In volume terms transactions stood at 2,847 compared with last Thursday's 1,836. Traded issues valued Taka 3,03,110.50. It was Taka 2,42,743.00 on Thursday.

Advancers dominated trading. And the Composite Index of Dhaka Stock Exchange moved up to 292.1409 points from Thursday's 291.8996.

Transactions involved twenty-five stocks. Of them fifteen gained, five lost and five remained unchanged at their previous quoted prices.

Debutures of Bengal Food and Beximco Pharma moved up Taka 10.00 and Taka 3.62 to Taka 1230.00 and Taka 1728.62 respectively.

Islami Bank and Rupali Bank advanced Taka 5.00 each to Taka 1205.00 and Taka 85.00.

Chittagong Vegetable, N.T.C. and National Tubes gained Taka 2.50, Taka 2.00 and Taka 1.54 to Taka 100.00, Taka 267.00 and Taka 107.00.

Atlas Bangladesh, 4th ICB Mutual Fund, Oxygen, Eagle Box, Eagle Star, Tallu Spinning, Apex Tannery and Bata Shoe advanced within the range between Taka 0.22 and Taka 1.00.

Paper Converting lost Taka 10.00 to Taka 90.00.

Eastern Cables, 6th ICB Mutual Fund, Quasem Drycells and Ashraf Textile declined within the range between Taka 0.25 and Taka 0.70.

**Quoted Prices of Traded Stocks**

Stock	Price	Change
Al Baraka Bank	1000/1	740.00
Islami Bank	1000/1	1205.00
Rupali Bank	100/10	85.00
Investment	100/10	142.00
4th ICB M. Fund	100/10	91.38
6th ICB M. Fund	100/10	91.38
Engineering	10/50	38.70
Eastern Cables	100/5	69.30
National Tubes	100/10	107.00
Quasem Drycells	10/50	8.00
Food & Allied	100/5	340.00
Apex Food	100/10	100.00
N.T.C.	100/5	267.00
Zed Bangla Sugar	10/50	8.00
Fuel & Power	10/50	40.00
Palm Oil Co	10/50	49.00
Oxygen	10/50	90.00
Paper & Printing	10/50	12.90
Eagle Star	10/50	38.75
Eagle Box	10/50	34.50
Tallu Spinning	100/10	112.38
Miscellaneous	100/5	142.00
Apex Tannery	10/100	38.50
Bata Shoe	100/5	145.00
Debutures	1200/1	1230.00
Beximco Pharma	1714/1	1728.62

**Dhaka Stock Exchange Market Profile**

June - 8

134 Listed stocks

15 Gainers      5 Losers      114 Unchanged

114 Unchanged stocks include five traded on the day at their previous quoted prices.

DSE All Share Price Index = 292.1409

Issued Capital = Taka 10,146,289,601.00

Market Capitalisation = 8,348,001,514

Turnover = Taka 3,03,110.00 (Value) 2,847 (Volume).

**9 months' figure shows 33p.c. increase Goods worth Tk 129cr exported by CEPZ**

Star Economic Report

Goods worth Tk 128.58 crore were exported by the enterprises of the Chittagong Export Processing Zone (CEPZ) in nine months of the current fiscal year (July 1990-March 1991).

Export earnings fetched Tk 86.10 crore during the corresponding period of last fiscal year, which is an increase of nearly 33.10 per cent over the last year, says a Bangladesh Export Processing Zones Authority (BEPZA) Press release.

The goods exported include electronics and electrical, textile and textile fabrics, gray fabrics, garments, terry towel, lamp shade, steel chain, perfumery, shoe, head-wear, leather and leather goods, fishing and golf equipment, audio and video tape, fan motor, artificial flower, ladies hand bag, back pack, dress and gloves.

Bangladesh Export Processing Zone Authority (BEPZA) has so far sanctioned 73 industries for CEPZ involving an expenditure of over Tk 169.83 crore. Of these, 38 are now in operation. Another six industries are expected to go into production soon. From the beginning of CEPZ in 1983, its enterprises so far exported goods worth about Tk 4206 million, the Press release said.

The 38 industries which are in operation have created employment opportunity for over 9000 Bangladeshi workers. When fully implemented, the sanctioned 73 industries will create job opportunity for about 25000 local workers.

The countries which have invested in CEPZ include Japan, USA, South Korea, Hong Kong, Pakistan, Singapore, UK, India, Holland, Thailand, Germany, and host Bangladesh.

It may be mentioned that Japan is the highest investor with 17 industries involving an expenditure of Tk 1500 million followed by USA with an investment of Tk 984 million. South Korea has established 10 industries while Pakistan established six.

Work on the air-based Dhaka Export Processing Zone is progressing fast. It is likely to be operational by the middle of next year.

Following the success of the Chittagong Export Processing Zone, the government has decided to establish another EPZ in Chittagong across the river Karnaphuli. Another Export Processing Zone will be set up in Khulna in the near future.

Meanwhile, three more industries have resumed production after the severe cyclonic storm and tidal surge of April 29 this year. This brings the number of industries to restart production after the cyclonic storm to 20. Rehabilitation of other industrial units is in good progress.

**Single currency prospect in Europe raises concern**

MADRID, June 8: The prospect of a single currency in Europe has raised concerns about the future of Forex trading among dealers gathered here for their annual Congress. But they believe new opportunities will enable them to weather the storm, reports Reuter.

Some dealers look aghast at the impact a single currency, such as the European Currency Unit (ECU), would have on Forex trading. They fear their jobs will not survive the fall in volumes that would accompany European Monetary Union (EMU).

"This can't be good news for the Forex traders," Rolf Willi, President of the German Forex Club, told dealers here.

Willi, Senior General Manager at Dresdner Bank AG in Frankfurt, quoted a study by Paolo Cechini, conducted under the auspices of the European Commission, which found total savings in transaction costs from using the ECU would be ECU 24 billion of which Germany would save ECU 6 billion.

"My Forex dealers have a feeling that that (money) is going to come out of their pocket," said Willi. Peter Mack, chief dealer at the Co-operative Bank in London and a member of the decision-making council of the Association Cambiste Internationale (ACI), the umbrella organisation which represents 50 Forex clubs around the world, said a single European currency would reduce the volume of Forex trading.

"If we move to the ECU (as the single European currency) a lot of the foreign exchange business that is based on European trading is going to disappear but it's not going to stop the speculative flows," said Mack.

Extreme projections from some senior traders have raised the prospect that there could be reductions of up to 90pct in the number of dealers in some trading rooms if a single European currency is introduced.

They say trading between the world's three main currency blocs — the dollar, the yen and a mark dominated ECU zone — would increase sharply alongside a move towards dealing in the Easter Bloc currencies when they eventually become convertible.

**Price Barometer Essentials**

June - 8

RICE (Taka per kg)

Aman (Very fine) 16.50-17.00

Aman(fine) 14.75-15.50

Pajam 14.50-15.50

Ufahi 13.00-13.50

VEGETABLES (Taka per kg)

Potato(White) 3.50-4.00

Brijjal 15.00-16.00

Lady's finger 11.00-12.00

Karolla 12.00-14.00

Lentil 6.00-8.00

Peppa 6.00-8.00

Green Banana (Four Pieces) 8.00-9.00

ONION FOODGRAIN (Taka per kg)

Flour 12.00-14.00

Flour 10.00-11.00

Wheat 8.00-8.50

Suzi 18.00-20.00

FISH (Taka per kg)

Rubi(big) 130.00-150.00

Kaala(big) 90.00-110.00

Hilsha 55.00-60.00

Pangas 100.00-110.00

Shrimp(big) 80.00-90.00

Singi 100.00-120.00

Koi 100.00-130.00

PULSES (Taka per kg)

Mash 30.00-32.00

Mashor 26.00-28.00

Mooch 28.00-30.00

Chhola 22.00-24.00

Maor 26.00-28.00

Khasari 16.00-18.00

MEAT (Taka per kg)

Beef Not Available

Mutton Not Available

OIL (Taka per Litre)

Mustard 52.00-56.00

Soyabean 36.00-37.00

Coconut(Colombo) 70.00-74.00

Vegetable Ghee 50.00-52.00

SPICES (Taka Per kg)

Onion 14.00-16.00

Caulic 40.00-48.00

Chillies 52.00-60.00

Tumeric(Round) 44.00-48.00

" (Long) 44.00-48.00

Green chillies 16.00-20.00

Graps 26.00-30.00

Cinnamon\* (10gms) 3.00-3.50

Cardamom\* (large) 3.50-4.00

Jhira (50gms) 7.00

8.00

MISCELLANEOUS (Taka)

Choc 220.00-240.00

Sugar 27.00-27.00

Molasses 18.00-20.00

Source: Department of Agricultural Marketing

**India faces hand-to-mouth existence**

LONDON, June 8: India is running out of cash to service its 70 billion dollar foreign debt and commercial banks are withdrawing short-term credit lines used to finance trade, financial analysts said on Wednesday, reports Reuter.

And one billion dollars of net outflows every month so far this year have decreased foreign exchange reserves which now cover only two weeks of India's import bill.

"India will lead a hand-to-mouth existence until it can get substantial help from the IMF (International Monetary Fund)," said Meghnad Desai, Professor of Economics at the London School of Economics (LSE).

Analysts said additional aid of 100 million dollars from Japan and the possibility of an 220 million dollar emergency financing facility from the IMF will only keep the country afloat for days.

"The sort of amounts being talked about will keep India going for about 10 days," said one economist. "They desperately need major and ongoing help."

Bankers said medium-and long-term lending to India is frozen and short-term credit lines, the lifeblood of trading activity, is increasingly difficult to obtain.

The outcome of this month's election is crucial. India needs an effective Government to enter long-term commitments with the IMF and other lenders.

The fund is poised to grant India a loan which economists say could be as big as four billion dollars or even more.

Analysts said the first thing the fund will be looking for is a budget which tackles India's fiscal deficit. This will be followed by cuts in state subsidies, privatisation and monetary stringency.

"They will have to be willing to bite the bullet of a huge IMF loan," said David Taylor of the School of Oriental and African Studies. "But deep adjustment is another matter."

Desai said restructuring of the Indian economy was overdue and foreign donors should be tough.

Bankers said it would be better for India to call a halt to payments of principal to creditors before the cash runs out.

But analysts point out that India has never rescheduled its external debt and guards its reputation. It has meant that India has had access to the world's capital markets.

"They will fight desperately to maintain their record on payments," said one economist. "But unless they get big help quickly, it could be too late."

**GATT talks progress remains uncertain**

BRUSSELS, June 8: Progress at GATT world trade talks remains uncertain despite their new billing as the top priority for leading industrial nations, European Commission officials said on Thursday, reports Reuter.

The European Community, at odds with the world over its reluctance to cut its huge farm subsidies, has not changed its position despite the tone of a communique issued on Wednesday after an OECD Ministerial meeting in Paris, they said.

No in-depth talks on the farm problem — just one of the 15 sectors of trade under discussion at GATT — took place before the statement by the 24-nation Organization for Economic Cooperation and Development was agreed, the officials added.

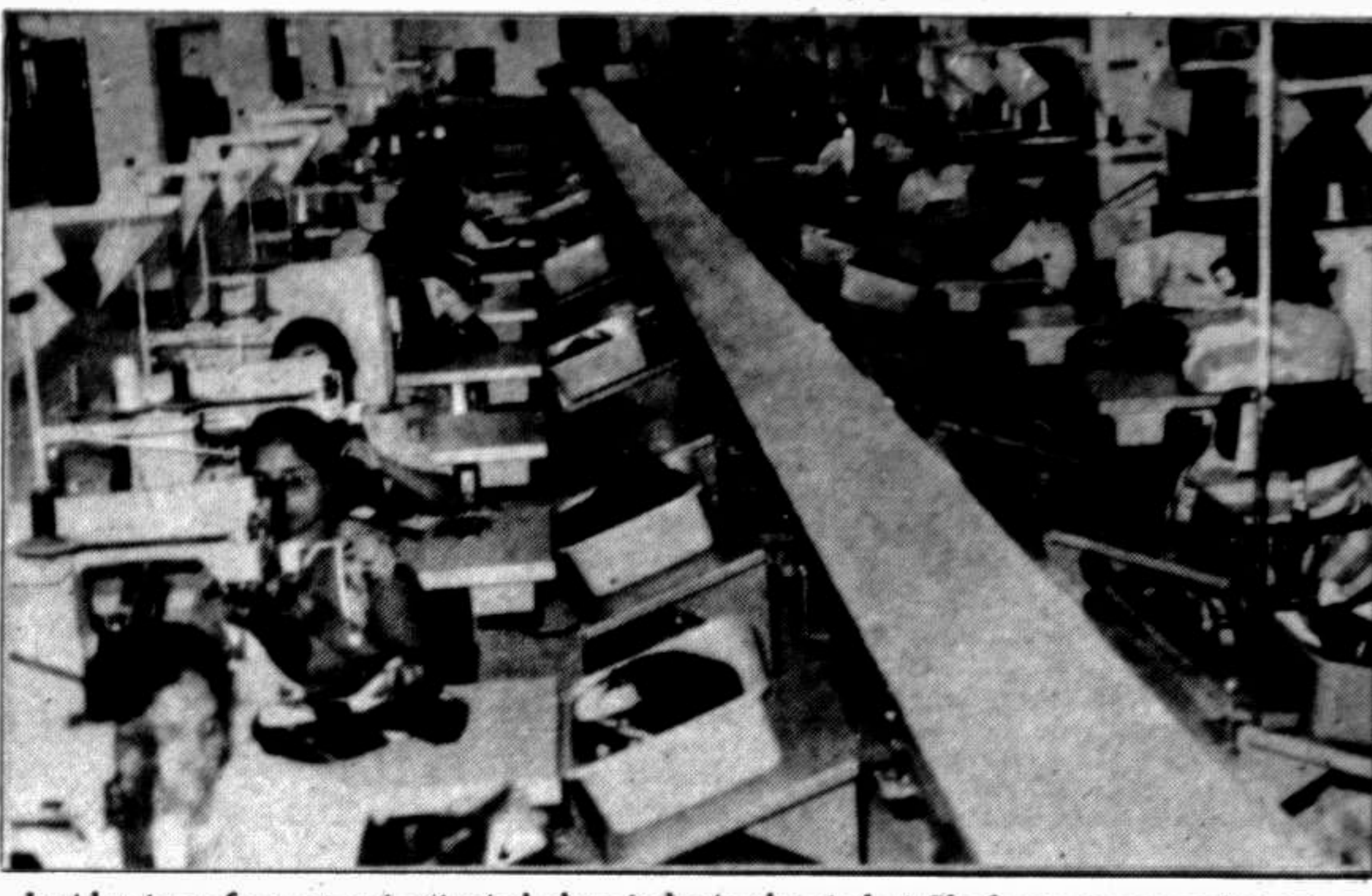
The Community still leans a clear link between domestic support, import protection and export subsidies but remains willing to negotiate on binding commitments for each of these three areas, the officials said.

This has been the EC's position since February.

**EC-Japan summit in July likely**

BRUSSELS, June 8: The European Community and Japan are considering holding a summit next month to discuss forging closer ties between the giant trading partners, reports AP.

A spokeswoman for the Japanese Foreign Ministry said Thursday a meeting between Japanese Prime Minister Toshiki Kaifu and Ruud Lubbers, the Dutch Prime Minister, might be held after a summit of industrialized nations in London on July 15-17.



Inside view of an export-oriented shoe industry located at Shaftpur, Gazipur district. —Star photo

**Govt urged to reduce duty on crude soyabean**

Star Economic Report

Bangladesh Vegetable Oil Refiners and Vanaspathi Manufacturers Association urged the Government to withdraw 'irrational' duty and taxes from crude soyabean oil. The fresh duty was imposed last month.

As a resultant effect, the price of soyabean oil rose by Taka 7 per kg in the retail markets of the country.

The demand to reduce the duty was raised by the association leaders at a Press conference in a city hotel on Saturday. The press conference was addressed by Nazmul Haq Choudhury and MA Hashem, both members of the association. They were assisted by Md Nasir Vice President, Yusuf Haroon, Adviser, Abdul Hai, Rouf Choudhury — members of the association.

The speakers said increase in sales tax and duty on crude soyabean oil and decrease in duty from crude palm oil have adversely affected the soyabean oil processing industries in the country.

Termining the previous tax system as balanced and reasonable, they said both the soyabean and palm oil could run in parallel competition under the previous system.

After imposition of fresh taxes, the soyabean producing industries will not be able to compete and may face closure on account of impending losses. They expressed their concern that these industries will soon be identified as sick industries.

The speakers said out of 40 oil producing industries, only five can process crude palm oil. And if 35 soyabean oil producing industries are closed down, it will be impossible for the rest five units to meet the whole local demand, they added.

The speakers said the palm oil is not a hygienic edible oil and it is not used as edible oil in any developed country of the world including Malaysia, the lone palm producing country.

They urged the Government to discourage the use of palm oil for the safety of public health in the country.

The association executives ruled out the government's apprehension of smuggling of edible oil to the neighbouring country if the prices are reduced. They said that for the sake of the oil refining industries and safety of the public health, the Government should re-introduce the previous rate of taxes and duties on crude soyabean oil and crude palm oil.

The speakers said a ton of refined palm oil could be procured from the international market at the expense of extra five dollars. The government is spending Tk 4000 per ton for its refining in the country after importing crude palm oil which is a sheer wastage of money, they added.

**Aid to USSR must be tied to democratisation: Cheney**

BOSTON, June 8: US Secretary of Defence Dick Cheney said on Friday it was in the West's interest to support Soviet Reform but that unconditional assistance as proposed by Soviet President Mikhail Gorbachev was out of the question, reports Reuter.

Cheney said wide variety of aid might be made available to the Soviet Union such as technical assistance, access to markets and loan guarantees, but any help must be tied to Soviet democratisation and demilitarisation.

"If we can ... by way of private support ... promote democracy inside the Soviet Union and promote the demilitarisation of Soviet society we ought to consider it," Cheney told a World Affairs Council of Boston audience.

"I think it is our interest to have reforms succeed inside the Soviet Union," he said. "But I take exception to what Gorbachev said ... in Oslo, the notion that there should be no conditions to the package."

**Soviet economic policy to collapse, says adviser**

LONDON, June 8: As President Mikhail Gorbachev appeals for western aid, his former Economic Adviser criticised the Kremlin's economic policy and predicted collapse without changes in attitude, reports Reuter.

Stanislav Shatalin accused the Soviet Government of "fiscal theft" in raising retail prices and said the Soviet Union could not hope to attract foreign investment before achieving political stability.

The economy as a working entity simply does not exist, Shatalin wrote in an article in Britain's independent newspaper today.

Shatalin author of the 500-day programme for market reform said the Soviet economy was ideologically bankrupt.

Even by official figures national income fell by 12 pct in the first quarter of 1991. There was no consumer market, except the black market. Barter reigns Shatalin wrote.

State property remained all-powerful and a serf law, was in force, he added.

Shatalin said he believed Gorbachev understood that it was impossible to create a market economy without private property.

"We need to construct a real infrastructure for the market, in land housing labour and property. Without such change—and of course without political stability—it would be foolish to expect western capital to become less cautious."

**Raw Jute**

June - 8

Kutchha bales

FOB \* Narayanganj/Daulatpur

Varieties (Tk. per 100 Kg)

Varieties	White	Tossa	Meshta
Medium	1313	1420	1125
Bot. (B)	1259	1367	1098
Bot. (C)	1125	1206	1045
Bot. (D)	991	1045	857

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

Pucca bales FOB FOB

Varieties (Ready)\* (Sight)\*\*

Varieties	Tk. per	\$ per
White bale*	MT*	
BW SPL	3350	555
BWA	3250	530
BWB	3100	480
BWC	2700	430
BWD	2400	380
BWE	2000	350

Bangla Tossa

BT SPL	3400	565
BTA	3350	540
BTB	3200	490
BTC	2750	440
BTD	2450	390
BTE	2100	360

White Rejection (WRS) / Tossa Rejection (TRS) : Habtaji, Cut Ropes

BWR	1700	290
BWH	1350	220
BTR	1800	300
BTH	1450	230
FCR	1300	230

White/Tossa : Cutting

BWCA	1500	235
BWCB	1350	220
BTCA	1650	250
BTCB	1550	235

Meshta

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 non-traditional/applicable to export bills). One \$ = Tk. 35.4956

\* MT = Metric Ton

Imports/arrivals of Kutchha bales at Narayanganj were five to six thousand mounds while at Daulatpur at four to five thousand mounds. (One mound is equal to 37.32417 KGs.)

Source: Bangladesh Jute Association

**Exchange Rates**

June - 8

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (DCs) and Overseas Drafts (ODs)

One Unit of Foreign Currencies (FCs) for Taka

FCs	Selling	Buying
US Dollar	35.9226	35.4432
UK Pound Sterling	60.8063	60.0730
German Deutsche Mark	20.5607	20.2706
French Franc	6.0695	5.9655
Saudi Riyal	9.6101	9.4819
Dutch Guilder	18.2441	17.9915
Pakistan Rupee	1.4997	1.4854
Mark (AMU*)		Not available
Singapore Dollar	20.2712	20.0007
UAE Dirham	9.8111	9.6831
Kuwait Dinar		Not available
Indian Rupee		Not available
AMU	1.7031	1.6869
S. Kroner	5.7224	5.6416

\*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 Sterling	61.77	61.82

\* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market.

Source: Sonali Bank

**Snippets**

**New Currency Act passed in Finland**

HELSINKI, June 8: President Mauno Koivisto formally signed the New Currency Act passed by Parliament yesterday, a government spokeswoman said, reports Reuter.

The revised currency act enables the Markka to be linked to the ECU, the Government and the Bank of Finland decided on Tuesday to link the Markka to the ECU without devaluation or revaluation.

The government was due to meet in special session to decide on the Markka's exchange rate against the ECU on the basis of a bank of Finland proposal. The Markka's previous six pct fluctuation range will not be changed.

**US jobless rate rises in May**

WASHINGTON, June 8: The US unemployment rate climbed to 6.9 per cent in May from 6.6 per cent in April despite an unexpected increase in the number of jobs, the Labour Department said yesterday, reports Reuter.

Payrolls outside the farm sector, a figure closely watched for signs of the labour market's strength, rose by 59,000. This compared with a 180,000 drop in April, the Department said.

It was the first rise in the number of jobs since June 1990, when the number rose by 131,000.

**Fuel, bread prices rise in Peru**

LIMA, June 8: Labour unrest grew in Peru on Tuesday after the Government announced increases in electricity rates and fuel and bread prices, reports Reuter.

Some 1,500 doctors in hospitals of the Peruvian Social Security Institute (IPSS), which serve insured workers, went on strike to demand a 400 per cent wage increase. Only emergency cases would be attended, strike leaders said.

About 2,200 workers at the Government tax collection agency also walked out to press for better wages and benefits, a spokesman at the agency said.

**Filipino budget approved**

MANILA, June 8: The Philippine Congress has approved the 1991 national budget of 286 billion pesos and will submit it to President Corazon Aquino for signing, reports Reuter.

Legislators said the 1991 budget is about 14 pct higher than the 1990 level of 250.9 billion, but slightly below Aquino's proposed spending of 297.4 billion for this year.

The budget includes a provision for a ceiling on debt repayments equivalent to 20 pct of the country's export earnings of 7.8 billion dlrs in 1989.

**Gloomy picture for Finnish economy**

HELSINKI, June 8: A new economic forecast has again painted an overall gloomy picture for the Finnish economy, reports AFP.

The Research Institute of Business and Industry, ETLA, forecast that the country's output of goods and services will go down this year by 2.5 per cent in real terms, and unemployment, which last year averaged 3.5 per cent of the workforce, will be about 7 per cent this year.

Next year, gross national product might increase slightly in real terms, but the average growth in 1991-1995 will be only about 1.5 per cent compared with over 3 per cent annually during the second half of the 1980's, the institute said.

**Consumer prices rise in Germany**

WIESBADEN, June 8: Consumer prices in the former West Germany rose three per cent in May over the same month last year, according to revised figures issued by the Federal Statistics office Friday, reports AFP.

An earlier provisional figure had put the rise at 2.9 per cent.

The year on year rise in April was 2.8 per cent.

**Dollar closes higher in US**

NEW YORK, June 8: The dollar closed higher, propelled by an unexpected rise of 59,000 in US May non-farm payrolls, reports Reuter.

That seals a lot of opinion that we are headed higher for the dollar, said Belal Khan a dealer for Fuji Bank in New York. Economists on an average had forecast a payroll drop of 89,000. I don't think anyone expected a number like that, Khan said of the increase, it was the first gain since June 1990.