

India exploring ways out of foreign exchange crunch

NEW DELHI, June 9: In the wake of the first international sale of gold which has already affected its credit rating, India is exploring further ways out of a serious foreign exchange crunch. The official newspapers said on Friday, reports AFP.

The business and political observer quoting market sources said the State Bank of India (SBI) may have set a further 10 tonnes of gold to Zurich, in addition to the 20 tonnes sold there on May 24.

However, it said officials had not confirmed the extra shipment.

The newspaper also said Reserve Bank of India (RBI) governor S. Venkatarman was currently in London to explore the possibility of pledging a part of the country's gold reserves.

Although the exact quantity of gold the Central Bank is likely to pledge is not yet known, the RBI act of 1935 provides that it can hold up to 15 per cent of the country's gold reserves with an external monetary agency, the paper said.

It added that any such deal would enable New Delhi to borrow.

Share trading rises moderately

Star Economic Report

Transactions at Dhaka Stock Exchange (DSE) witnessed a moderate rise on Sunday.

In volume terms it went up to 4,000 from Saturday's 2,847.

Traded issues valued Taka 2,61,641.00 against Saturday's Taka 3,03,110.00.

Advancers and decliners were equal in number. But the decliners involved more transactions in value terms. As a result DSE All Share Price Index moved up to 292.5367 points from Saturday's 292.1409.

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

Karim Pipe and Bengal Food moved up Taka 5.00 and Taka 3.00 to Taka 115.00 and Taka 145.00.

Dhaka Vegetable and Bangladesh Autocars gained Taka 1.60 and Taka 1.05 to Taka 134.60 and Taka 105.05.

Oxygen, Tallu Spinning, Chittagong Cement, 5th ICB Mutual Fund, ICB Unit Certificate Sales Price and Repurchase advanced within the range between Taka 0.25 and Taka 1.00.

The debenture of Beximco Pharma lost Taka 1.62 to Taka 172.00.

Islami Bank, Sonali Aansh and Apex Tannery declined Taka 5.00, Taka 2.00 and Taka 1.59 to Taka 1200.00, Taka 83.00 and Taka 140.31 respectively.

Bangladesh Thai Aluminium, 6th ICB Mutual Fund, Eastern Cables, Howlader PVC, Rupan Oil and Modern Dying lost within the range between Taka 0.23 and Taka 1.00.

Quoted Prices of Traded Stocks

Stock	Price	Change
1000/1	1200.00	(+5.00)
4th ICB M Fund	100/10	142.00 unchanged
5th ICB M Fund	100/10	126.00 (+0.25)
6th ICB M Fund	100/10	91.15 (+0.23)
ICB Unit Certificate	100/10	133.00 (+1.00)
Sale Price	100/10	128.00 (+1.00)
Insurance	100/10	111.00 unchanged
BOK	100/10	116.00 unchanged
United	100/10	112.50 unchanged
Engineering	100/5	105.05 (+1.05)
Bangladesh Autocars	100/10	97.00 (+1.00)
Eastern Cables	100/5	82.00 (+0.50)
Howlader PVC	100/10	104.00 (+1.00)
Karim Pipe	100/5	115.00 (+5.00)
Food & Allied	100/5	145.00 (+3.00)
Bengal Food	100/5	134.00 (+1.00)
Dhaka Vegetable	100/10	134.60 (+1.60)
Rupan Oil	100/10	6.50 (+0.93)
Oil & Power	100/5	50.00 (+1.00)
Oxygen	100/5	85.00 (+2.00)
Sonali Aansh	100/10	90.00 unchanged
Pharmaceuticals	100/10	90.00 unchanged
Textile	100/5	34.00 (+1.00)
Modern Dying	100/10	113.00 (+0.65)
Tallu Spinning	100/10	140.31 (+1.59)
Miscellaneous	100/10	36.50 unchanged
Apex Tannery	100/5	147.00 (+1.00)
Chittagong Cement	100/5	105.00 unchanged
Savar Refractories	100/5	105.00 unchanged
Uttara Glass	100/5	132.00 unchanged
Debiture	1000/1	1040.00 unchanged
Apex Tannery	1714/1	1727.00 (-1.62)

Dhaka Stock Exchange Market Profile



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

DSE All Share Price Index = 292.5367

Issued Capital=Taka 10,146,289,601.00

Market Capitalisation = 8,359,312,101

Turnover = Taka 2,61,641.00 (Value) 4,000 (Volume).

Industrial policy based on free economy soon

Minister for Industries Shamsul Islam Khan Sunday said the government would soon announce its industrial policy based on free market economy.

Khan was opening the 'Danish Condensed Milk Bangladesh Limited', the first of its kind in the country, at Siddirganj of Narayanganj district.

The Industries Minister said as pledged in the election manifesto, BNP were now undertaking various steps for large scale industrialisation and encourage the industries in the private sector. Without industrialisation, the country could not be self-reliance, he added.

The present government is ready to extend its all-out support for growth of industries and urged the intending individuals and groups to invest in the private sector.

Regarding BNP's commitment to free the administration from widespread corruption of last nine years, the Minister sought cooperation of all concerned to achieve the goal. 'But it is not very easy within a short period', he commented.

Chaired by MA Hashem, Chairman and Managing Director, the inaugural session was also addressed by Azizur Rahman Bhuiyan, Executive Director of the industry.

The Condensed Milk Factory has been set up with Danish technological assistance and financed by the Arab-Bangladesh Bank.

The factory is computerised, automatic and equipped with modern machinery. Taka 50 crore were spent for the project, a sister organisation of Partex Group of Industries.

The factory has a production capacity of 24,000 tons annually which will meet 80 per cent of the country's total demand.

Addressing the session, company's Executive Director Azizur Rahman Bhuiyan requested the Industries Minister to reduce taxes on import of raw materials for producing condensed milk and exempt sales-tax on the item.

At present, there are 50 per cent tax on five items and 20 per cent on two more items of raw materials. Besides, 20 per cent sales-tax are now imposed on all the seven items, the Executive Director stated.

Star Economic Report

Individuals and groups to invest in the private sector.

Regarding BNP's commitment to free the administration from widespread corruption of last nine years, the Minister sought cooperation of all concerned to achieve the goal. 'But it is not very easy within a short period', he commented.

Chaired by MA Hashem, Chairman and Managing Director, the inaugural session was also addressed by Azizur Rahman Bhuiyan, Executive Director of the industry.

The Condensed Milk Factory has been set up with Danish technological assistance and financed by the Arab-Bangladesh Bank.

The factory is computerised, automatic and equipped with modern machinery. Taka 50 crore were spent for the project, a sister organisation of Partex Group of Industries.

The factory has a production capacity of 24,000 tons annually which will meet 80 per cent of the country's total demand.

Addressing the session, company's Executive Director Azizur Rahman Bhuiyan requested the Industries Minister to reduce taxes on import of raw materials for producing condensed milk and exempt sales-tax on the item.

At present, there are 50 per cent tax on five items and 20 per cent on two more items of raw materials. Besides, 20 per cent sales-tax are now imposed on all the seven items, the Executive Director stated.

Star Economic Report

Individuals and groups to invest in the private sector.

Regarding BNP's commitment to free the administration from widespread corruption of last nine years, the Minister sought cooperation of all concerned to achieve the goal. 'But it is not very easy within a short period', he commented.

Chaired by MA Hashem, Chairman and Managing Director, the inaugural session was also addressed by Azizur Rahman Bhuiyan, Executive Director of the industry.

The Condensed Milk Factory has been set up with Danish technological assistance and financed by the Arab-Bangladesh Bank.

The factory is computerised, automatic and equipped with modern machinery. Taka 50 crore were spent for the project, a sister organisation of Partex Group of Industries.

The factory has a production capacity of 24,000 tons annually which will meet 80 per cent of the country's total demand.

Addressing the session, company's Executive Director Azizur Rahman Bhuiyan requested the Industries Minister to reduce taxes on import of raw materials for producing condensed milk and exempt sales-tax on the item.

At present, there are 50 per cent tax on five items and 20 per cent on two more items of raw materials. Besides, 20 per cent sales-tax are now imposed on all the seven items, the Executive Director stated.



Industries Minister Shamsul Islam Khan opening the 'Danish Condensed Milk Bangladesh Limited' at Siddirganj of Narayanganj on Sunday. MA Hashem (second from left), Chairman and Managing Director of the company is seen in the picture. — Star photo

Taka 12 crore already spent Haripur Hard Rock Project remains suspended

Star Economic Report

Madhyapara.

The then Pakistani regime delayed the start-up of the project. After country's liberation, comprehensive survey was launched in the area during the mid 70s. Thick layer of hard rock was found to remain intact beneath the ground, experts say.

Till mid-80s tremor survey was carried out in the project area. Local experts picked up sample rock from underground and after its thorough examinations, came to conclusion that there was adequate hard rock reserve in the area.

Experts found that density of the rock discovered in the area is 2.45 lbs per square inch. The layer of hard rock spreads to an area of three miles.

The experts have identified that exploration of the entire hard rock reserved in one square mile will take more than 100 years, according to the sources.

Based on the available information and recommendations of the experts, the Executive Committee of the National Economic Council (NEC) approved the Madhyapara Hard Rock Project

Work on the Madhyapara Hard Rock Project remains suspended for long time. The authorities failed to give any satisfactory reasons behind suspension of the work.

An amount of Tk 12 crore has already been spent for the project, according to authoritative sources.

In 1960, mineral resources like hard rock was discovered in Madhyapara of Haripurpur union under Parbatipur upazila of Dinajpur district, project sources say.

The huge reserve of hard rock was first traced by a US satellite, underground survey was carried out in '60s and the scientists were unanimous on the issue that huge hard rock reserves were found in

in 1987. The project implementation cost was estimated at Tk 95.38 crore. This compares Tk 53.07 crore in local currency and Tk 42.31 crore in foreign exchange, the sources added.

For implementation of the first phase of the project, an amount of Tk 12 crore was spent for land acquisition, construction of office and residential buildings and other purposes. The project area was located by barbed wire fencing. But the work was suddenly stopped for unknown reasons.

The Japanese experts were scheduled to go for final experimental exploration in 1988. But the exploration did not take place.

Meanwhile, huge quantities of rods and bricks brought in the project site are being stolen everyday.

The government is spending inflated amount of money in paying salaries of project employees and meeting other expenses.

Authoritative sources say, fate of the project is becoming increasingly uncertain as no decision has yet been taken on this project by the present administration.



Prof. Khurshid Ahmed, a member of the Senate and Chairman of the Self-Reliance Committee of Pakistan during his visit to Bangladesh made a courtesy call on Directors, executives and high officials of Islami Bank Limited at its head office on Saturday. Mir Quasem Ali, Chairman, Executive Committee; Mohammad Yunus, Director; Prof. Sharif Hussain, Director; Mohammad Abdullah, Director and Lutfar Rahman Sarkar, Executive President of the bank were present on the occasion.

Washington, June 9: The International Development Association has sanctioned 75 million dollars to part-finance a Bangladesh irrigation project which will benefit about 525,000 farm families, reports PTI.

The project, which supports minor irrigation development by the private sector, is expected to result in annual foodgrain production valued at 240 million dollars and an increase in families' annual per capita income from 48 dollars to 68 dollars per annum, a World Bank release says.

IDA also sanctioned 38.1 million special Drawing Rights (54 million dollars) to help the Bangladesh government to develop irrigation systems on the 265,000 hectares of land, benefiting over 300,000 farm families.

Washington, June 9: The United States (US) and the World Bank (WB) have called a truce in their bitter battle over promoting private enterprise in the developing world, officials said on Friday, reports Reuters.

The truce, in which both sides gave ground, should pave the way for a capital increase of about one billion dollars for the International Finance Corp

Asian currencies fall against US Dollar

HONG KONG, June 9: Asian currencies mostly lost ground against the US Dollar during the week due to signs the recession was ending in the United States, reports AFP.

The Yen, Australian Dollar, Malaysian Ringgit, New Zealand Dollar, Singapore Dollar, South Korean Won and Thai Baht all fell.

The exceptions were the Hong Kong Dollar, Philippines Peso and Taiwan Dollars, which all strengthened. The Indonesian Rupiah remained unchanged.

Japanese Yen: The Yen ground through the week against the Dollar as investor confidence in the United States appeared as strengthened following a series of key reports.

After opening at 138.48 to the Dollar, the Yen rose slightly to 138.38 at Monday's close but then slipped steadily to close Friday at 139.39.

US-Japan tension growing

MANILA, June 9: Economic competition between the US and Japan could trigger increasing tension as Tokyo tries to match its financial muscle with a stronger political role, delegates at a conference on Asian security said, reports Reuters.

"US-Japan relations will be full of tensions because of heightened economic competition, which is currently regarded by public opinion in the US as a greater threat than the Soviet Union," said Yusuf Wanandi, Chairman of Indonesia's Centre for Strategic and International Studies.

"This is so because Japan is been as challenging the US economic supremacy," he said in a paper to the conference.

Australian Dollar: The Australian Dollar had a very difficult week, slumping almost a full cent against the Greenback before regaining some ground. It closed the week at 75.30 US cents, down from 76.05 cents a week earlier.

Hong Kong Dollar: The Hong Kong Dollar had a tough act to follow after the previous week, when it moved sharply ahead against the US Dollar. But it succeeded, strengthening to close at 7.7340/7.7360, as compared to 7.7350-7.737 the previous week.

The effective exchange rate index closed at 114.0 up 0.7 over the last week. The Hong Kong Dollar has been pegged at 7.80 against the Greenback since 1983.

Indonesian Rupiah: The Indonesian Rupiah ended the week unchanged at 1.949 against the Dollar after opening one Rupiah stronger Monday.

Philippine Peso: The Peso strengthened steadily this week, closing at 27.801, compared to 27.805 Pesos to the Dollar the previous week.

New Zealand Dollar: The New Zealand Dollar closed off at 58.11 from the previous week's level of 58.35 US cents.

The slumping Australian Dollar took it as low as 57.85 during the week, but analysts said it was recovering locally by Friday and should do better providing the Australian Dollar holds up.

Singapore Dollar: The Singapore Dollar eased against the Greenback to close at 1.7790 against the previous week's 1.7670 level.

South Korean Won: The Won weakened to end the week at 725.80 compared to 722.60 the previous week.

The dealers said the move was due to technical factors as the unit had strengthened 2.50 Won during the previous week.

Importers of crude oil particularly bought Dollars this week to settle accounts.

Taiwan Dollar: The Taiwan Dollar continued its upward trend, closing at 27.1625 to the US Dollar, up 2.5 Taiwan

cents from the previous week's close of 27.1875.

After opening Monday at 27.217, the Taiwan Dollar steadily gained ground in line with the country's surging exports, market dealers said.

Symposium on knitting industry begins June 18

Star Economic Report

A four-day long investment symposium for the development and extension of knitting and dyeing industry in Bangladesh will be held June 18, 19, 25 and 26 at Dhaka and Chittagong.

On the first two days, the symposium will be held in Dhaka at Hotel Sonargaon and on the following days, the symposium will be held at Hotel Agrabad in Chittagong.

The trade promotion section of German Agency for Technical Cooperation (GTZ) will organise the symposium.

The main objective of the symposium is to improve flexibility and increase profit and added value in the garment sector. Current market opportunity and return on investment strategies will be explained know-how and investment information regarding knitting and dyeing machines procurement and practical advice and assistance by experts of the textile branch will also be given to the participants.

The symposium will stress on circular knitting techniques and the way to avoid expensive and extensive imports of knitting grey and finished fabrics, market oriented dyeing and finishing of knitted goods, saving costs by protecting the environment and international competition in T-shirt and knitwear market.



S. A. Shakoor, President and Managing Director, United Commercial Bank Ltd. handing over a presentation to Humayun Zahir, Director of the bank on his being elected Governor of Lions International District 315A at a reception held in his honour on Saturday. Serajul Islam, Deputy Managing Director of the bank also seen in the picture.

Washington, June 9: The state-owned Engineers India Ltd (EIL) has bagged a 17 million dollar construction management and services coordination contract for a petrochemicals complex in Iran, the Press Trust of India (PTI) said Saturday, reports AFP.

PTI said the contract called for about 100 Indian experts to work on the site of the two billion dollar project at the peak of project execution, but gave no further details.

EIL officers were not immediately available for comment.

Hungary hopes to be EC state

PARIS, June 9: Hungary hopes to have a free trade agreement with the European Community by the beginning of 1992, paving the way for full membership, perhaps as early as 1996, said the Hungarian Minister of International Economic Relations, reports Reuters.

"I am confident that a free trade agreement could come into effect at the beginning of 1992," said Bela Kadar in an interview with French business daily Tribune de l'expansion.

"Hungary could then become an associate member of the EC. That ought to speed up the necessary adaptations, and, if all goes well, we could become a member of the EC before the end of the decade, perhaps even in 1996 or 1997."

Swiss perfume plant in Singapore planned

SINGAPORE, June 9: Switzerland's family-based Firmenich has announced plans to set up a plant in Singapore to produce perfume and flavouring, reports AFP.

Rene Graf, Managing Director of Firmenich Asia, was quoted by the Straits Times recently as saying the 10 million US dollar local plant would have an annual production capacity of 1,000 tonnes of perfumes and 150 tonnes of liquid flavouring.

It is expected to become operational by next month.

Economic recovery good, says Bush

WASHINGTON, June 9: President Bush downplayed an increase in the US unemployment rate and said the nation's economic recovery was "good" reports Reuters.

He said the jobless rate increase of 6.9 pct for May announced by the Labour Department this morning "was better than expected...not bad, but not good."

While pitching horse shoes, Bush told reporters, "The recovery's good. These are the lagging indicators."

Monopolies on postal services must end

AMSTERDAM, June 9: European Monopolies Commissioner Leon Brittan called Tuesday for an end to the monopolies on postal services which currently exist in all European Community countries.

The commission has been investigating since February agreements between the postal monopolies in eight European countries — Germany, France, Britain, Netherlands, Belgium, Switzerland, Sweden, and Finland — as suspected of hampering the development of private mail forwarding services, Mr Brittan said.

USSR creditworthy for farm loans: Madigan

BERLIN, June 9: US Agriculture Secretary Edward Madigan said the Soviet Union was creditworthy for 1.5 billion dollars in farm loans it has requested from the United States, reports Reuters.

Madigan told a news conference in Berlin that President Bush will make a decision on the Soviet request "very soon, perhaps this week."

"I retard the Soviet Union as being creditworthy in the amount they have requested," he said.

Madigan noted Moscow had major oil, gold and chromium reserves which more than offset the requested credit.

Snippets

Bid to attract investors into Eastern Germany

BERLIN, June 9: The President of Germany's Treuhand Privatisation Agency will travel to Japan later this month to attract investors into Eastern Germany, an agency spokesman said yesterday, reports Reuters.

Bright Bruel will visit Japan from June 29 to July 4. Until now Japanese investors have been conspicuously absent in depressed East Germany.

Thomas Takeda, Chief Executive of the Japanese Chamber of Commerce in Duesseldorf, said Japanese investors were keen to invest but were discouraged by job protection deals, property disputes, corporate debts and environmental damage.

Indian firm gets Iranian contract

NEW DELHI, June 9: The state-owned Engineers India Ltd (EIL) has bagged a 17 million dollar construction management and services coordination contract for a petrochemicals complex in Iran, the Press Trust of India (PTI) said Saturday, reports AFP.

PTI said the contract called for about 100 Indian experts to work on the site of the two billion dollar project at the peak of project execution, but gave no further details.

EIL officers were not immediately available for comment.

Hungary hopes to be EC state

PARIS, June 9: Hungary hopes to have a free trade agreement with the European Community by the beginning of 1992, paving the way for full membership, perhaps as early as 1996, said the Hungarian Minister of International Economic Relations, reports Reuters.

"I am confident that a free trade agreement could come into effect at the beginning of 1992," said Bela Kadar in an interview with French business daily Tribune de l'expansion.

"Hungary could then become an associate member of the EC. That ought to speed up the necessary adaptations, and, if all goes well, we could become a member of the EC before the end of the decade, perhaps even in 1996 or 1997."

Swiss perfume plant in Singapore planned

SINGAPORE, June 9: Switzerland's family-based Firmenich has announced plans to set up a plant in Singapore to produce perfume and flavouring, reports AFP.

Rene Graf, Managing Director of Firmenich Asia, was quoted by the Straits Times recently as saying the 10 million US dollar local plant would have an annual production capacity of 1,000 tonnes of perfumes and 150 tonnes of liquid flavouring.

It is expected to become operational by next month.

Economic recovery good, says Bush

WASHINGTON, June 9: President Bush downplayed an increase in the US unemployment rate and said the nation's economic recovery was "good" reports Reuters.

He said the jobless rate increase of 6.9 pct for May announced by the Labour Department this morning "was better than expected...not bad, but not good."

While pitching horse shoes, Bush told reporters, "The recovery's good. These are the lagging indicators."

Monopolies on postal services must end

AMSTERDAM, June 9: European Monopolies Commissioner Leon Brittan called Tuesday for an end to the monopolies on postal services which currently exist in all European Community countries.

The commission has been investigating since February agreements between the postal monopolies in eight European countries — Germany, France, Britain, Netherlands, Belgium, Switzerland, Sweden, and Finland — as suspected of hampering the development of private mail forwarding services, Mr Brittan said.

USSR creditworthy for farm loans: Madigan

BERLIN, June 9: US Agriculture Secretary Edward Madigan said the Soviet Union was creditworthy for 1.5 billion dollars in farm loans it has requested from the United States, reports Reuters.

Madigan told a news conference in Berlin that President Bush will make a decision on the Soviet request "very soon, perhaps this week."

"I retard the Soviet Union as being creditworthy in the amount they have requested," he said.

Madigan noted Moscow had major oil, gold and chromium reserves which more than offset the requested credit.

Exchange Rates

June - 9		
Selling and buying rates, offered by Commercial Banks, for Bank Cheques, (B/Cs) and Overseas Drafts (O/Ds)		
One Unit of Foreign Currencies (F/Cs) for Taka		
FCs	Selling	Buying
US Dollar	35.9226	35.4432
UK Pound Sterling	59.9692	59.2631
German Deutsche Mark	20.2781	19.9982
French Franc	5.9661	5.9042
Saudi Riyal	9.6101	9.4819
Dutch Guilders	18.0018	17.7527
Pakistan Rupee (AMU)	1.4997	1.4854
AMU		
Singapore Dollar	20.1926	19.9231
UAE Dirham	9.8141	9.6831
Kuwait Dinar		Not available
Indian Rupee		
AMU	1.7095	1.6930
S. Kroner	6.8398	5.5628
*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	60.94	60.99
Sterling		
* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market		
Source: Sonali Bank		

Gold & Silver

June - 9	
(Taka for 11.66 grams)	
Gold	6,000.00
Silver	200.00

Source: Department of Agricultural Marketing

Hides & Skin

(Wet/Salted)

June - 9

(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
Goat		
Big & heavy	10,000.00	12,000.00
Light & medium	5,000.00	5,200.00
Rejected	2,000.00	2,800.00
Sheep	8,000.00	8,200.00
Buffalo	55,000.00	58,000.00

Source: Department of Agricultural Marketing