

Some effective measures were taken to keep the foreign trade deficit within tolerable limit during the current fiscal year. This was done in accordance with the stabilisation and structural adjustment policy, said Bangladesh Economic Survey, 1990-91.

The measures include imposition of margin on the opening of letters of credit (LCs), phasewise devaluation of Taka-Dollar exchange rate by 8.15 per cent, and cash subsidy on exports of a number of items. The steps helped stabilise the country's foreign exchange reserves at a reasonable level.

The Survey said though the initial result was encouraging, the negative trend came back soon with the start of Gulf war.

The balance of external trade and international trade were seriously affected by the Gulf war both directly and indirectly.

Remittances from the Bangladesh working in both Kuwait and Iraq were stopped, the oil price registered a phenomenal rise, freight charges increased and a worldwide recession contributed to the slower growth in import and export performances of the country, the Economic Survey said.

Deterioration of terms of trade put substantial pressure on the balance of payments of the foreign trade. The situation demanded urgent measures to be taken up to fight the external shocks arising out of the situation. Austerity in the use of petroleum, restrictions on the imports of the luxury goods and preparation of imports list on priority basis were some of the measures taken up to ar-

Share trading very dull

Star Economic Report

The week began on Saturday at Dhaka Stock Exchange (DSE) with a very dull trend, reflecting the general holiday mood on the occasion of the Eid-ul-Azha. Only 278 shares were traded compared with 4,188 on Thursday last.

The DSE Composite Share Index however rose marginally by about 0.19 points to 292.9186 as against 292.7324 at closure of transactions last week.

The index was up because traded stocks, though only a few in number, involved mostly those which advanced in prices.

The DSE index is the broad indicator of price movements of all listed issues in the market.

In aggregate value terms, Saturday's transactions stood at Taka 39,253.00 as against Taka 1,10,105.00 on Thursday last.

Nine issues were traded on the day. Among them, seven advanced in prices while two fell.

Among the advancers, Third ICB Mutual Fund gained most. It advanced Taka three to Taka 160.00.

Fourth, Fifth and Sixth ICB Mutual Funds recorded increases by Taka 2.00, Taka 1.00 and Taka 0.50 per share to Taka 145.00, Taka 128.00 and Taka 91.50 respectively.

There were three advancers in insurance and one in food and allied sectors. In insurance sector, BGIC and Green Delta rose by Taka 2.00 each to Taka 114 and Taka 120 respectively. In food and allied sector, Bengal Food advanced Taka 1.50 to Taka 146.50 at closing.

Among the decliners, Peoples Insurance fell by Taka 5.00 to Taka 115.00 and Beximco Pharma debentures were slashed by Taka 157.24 and stood at Taka 1570.00 at closing.

The DSE will remain closed from to-day (Sunday) till Tuesday next on account of Eid holidays.

Quoted Prices of Traded Stocks

Investment	Qty./ML	Closing (Taka)	Change (Taka)
Third ICB Mutual Fund	100/5	160.00	+3.00
Fourth ICB Mutual Fund	100/5	145.00	+2.00
Fifth ICB Mutual Fund	100/5	128.00	+1.00
Sixth ICB Mutual Fund	100/5	91.50	+0.50
Insurance			
BGIC	100/10	114.00	+2.00
Green Delta	100/10	120.00	+2.00
Peoples	100/10	115.00	-5.00
Food and Allied			
Bengal Food	100/5	146.50	+1.50
Debentures			
Beximco Pharma	1714/1	1570.00	-157.24

* FV = Face Value, ML = Market Lot
** Changes: Plus signs mean gain and (-) signs losses.

Dhaka Stock Exchange Market Profile

June - 22

134 Listed stocks

7 Gains 2 Losers 125 Unchanged

125 Unchanged stocks include eight traded on the day at their previous quoted prices.
DSE All Share Price Index = 292.9186
Issued Capital-Taka 10,146,289,601.00
Market Capitalisation = 8,370,224,467
Turnover = Taka 39,253.00 (Value) 278 (Volume).

Steps to curb trade deficit taken

By Shahiduzzaman Khan

rest the external shocks on the foreign trade, the Survey said.

The exports were encouraged through devaluation of the currency with the dollar to offer a liberal exchange rate. Non-traditional items' exports were supported by the government and the expatriate Bangladeshis were given incentives to more remittances into the country.

The Economic Survey said the foreign exchange earnings got a boost with timely disbursement of pledged aid from the donors. It was assumed that the balance of foreign trade will be in favourable position after initiating all these measures, the Survey said.

After revision of the total target, earnings from the ex-

ports stood at Taka 4,638 crore in first nine months of the current fiscal year. The revised target was Taka 6,069 crore in the current fiscal. Given the ongoing export performances, the total export earnings may stand at Taka 6,110 crore by the end of the current fiscal year.

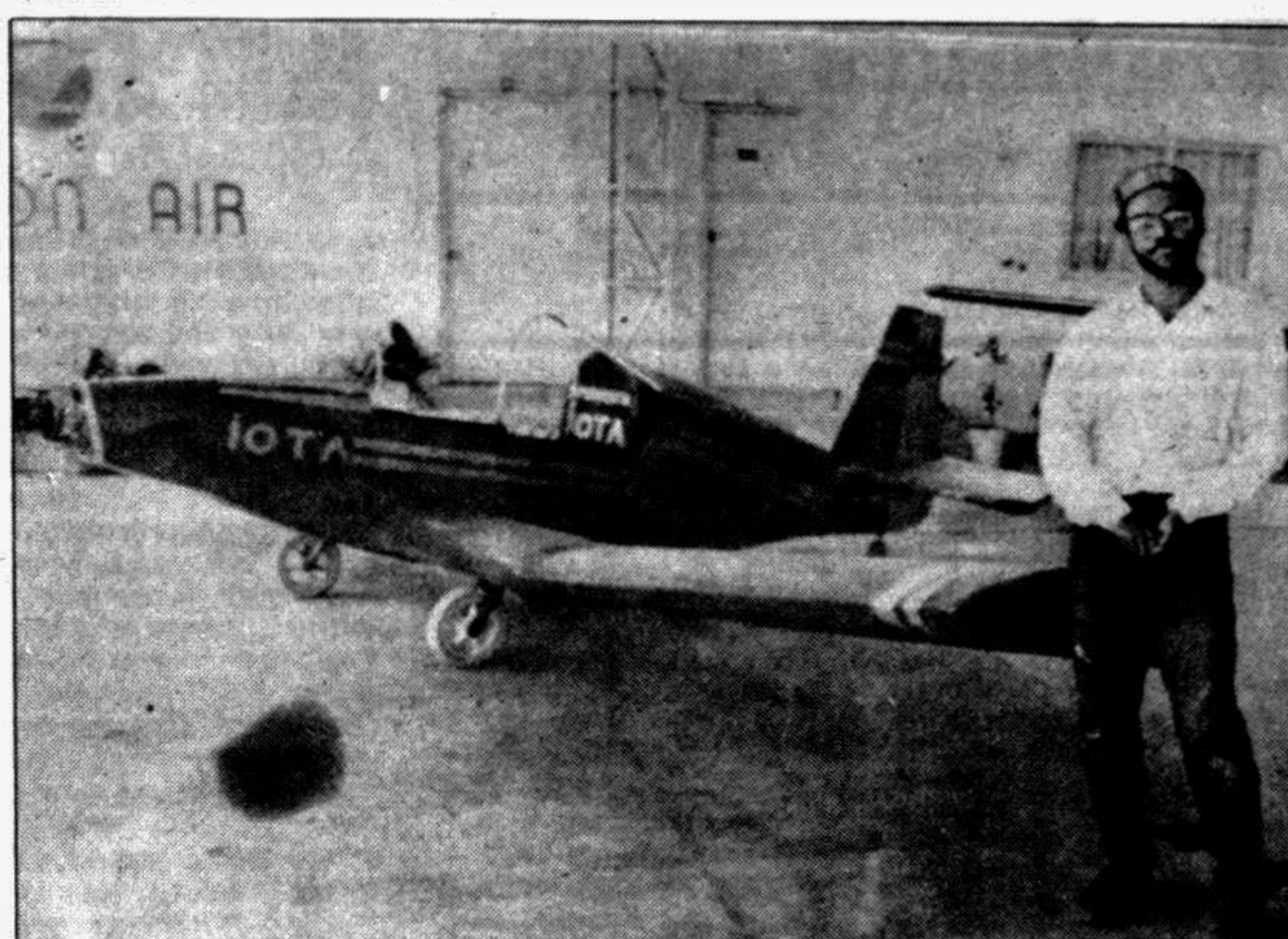
During the last fiscal years, the earnings from exports totalled Taka 4,079 crore and Taka 4,976 crore respectively.

Meanwhile, during the first nine months of the current fiscal years, commodities worth Taka 8604 crore were imported. The figure may rise to Taka 12,780 crore at the end of the current fiscal year. The expenditures on account of imports were Taka 10,848 crore and Taka 12,375 crore

in the fiscal year 1988-89, 1989-90 respectively, according to the Survey.

At the end of the current fiscal year, trade deficit will stand at Taka 6,670 crore which was Taka 6,751 crore in 1988-89 and Taka 7,399 crore in 1989-90.

Reviewing the whole situation in the foreign trade, the Survey said export earnings of 1988-89 met 37.8 per cent expenses of the commodity imports. Export earnings in 1989-90 met 40.2 per cent expenditures of the imports and 47.8 per cent during the current fiscal year. The rate of import expenditure is less than export earnings during the last three fiscal years, the Bangladesh Economic Survey, 1990-91 observed.



KARACHI: Shakeel Hanif, an aircraft engineer, stands beside the 44 kg (97 pound) single-engine plane which he designed and manufactured. Hanif claims it is the lightest aircraft in the world.

G-7 to talk falling Dollar, aid for USSR

PARIS, June 22: Clashing concerns over the Dollar, and the western response to Soviet calls for major financial assistance will mark day-long talks among Finance Ministers from the Group of Seven (G-7) leading industrial countries in London tomorrow, European officials said, reports AFP.

The meeting will be held with British Chancellor of the Exchequer Norman Lamont in the chair, barely three weeks ahead of the seven countries' annual economic summit, also to be hosted by Britain.

It was organized mainly because Japan insisted on the need for a coordination of G-7 positions on aid to the Soviet Union, seen as the "big issue" of the July summit in London and a post-summit session with Soviet leader Mikhail Gorbachev, European officials said.

But they said, Ministers and Central Bank Governors from

Britain, Canada, France, Germany, Italy, Japan and the United States would also assess the prospects for economic recovery, in the light of the Dollar's rise since their April meeting in Washington, and compare notes on their economic and monetary policies.

On both sets of issues, the G-7 countries have differing priorities, reflected in comments by senior aides in several capitals.

Following the dollar's fall earlier this week, on adverse United States trade figures and fears of concerted G-7 action to check the currency's rise, the Greenback recovered Friday on market perceptions that no significant concrete moves would emerge from tomorrow.

French economy and finance minister Pierre Berezgoy said Thursday that the London meeting would

"send a signal to the market" both on the Dollar and on interest rates.

Senior United States aides meanwhile made it clear in Washington that US Treasury Secretary Nicholas Brady will be going to London to plead for a strong dollar and lower international interest rates.

The top priority of US President George Bush, facing election in 1992, is to consolidate a budding recovery from recession, and White House Economists are wary of any possible rise in European rates, especially in Germany, that might reduce capital flows into the United States.

The other top two actors, Japan and Germany, are both concerned over a potential overheating of their economies, and can ill afford a reduction of domestic interest rates, still less so if a further rise of the Dollar were to accentuate "imported inflation."

Britain is also dead against any "inconsiderate" reduction of interest rates as long as inflationary pressures remain a risk to economic recovery.

Like Britain and France, the Japanese and the Germans can like with the current Dollar rates against their currencies, but would take a negative view of a further firming up of the US currency.

"There is a consensus on this point," a European monetary official said, adding that US officials recognized a still firmer Dollar could entail a new aggravation of the US trade deficit.

"We want exchange rate stability," Berezgoy commented Thursday, calling for concerted moves to keep the Dollar close to its current levels.

Both Tokyo and Bonn meanwhile give top priority to discussion of Moscow's appeals for massive western aid at to-

morrow's meeting.

Japan, which is still looking for a settlement of its political dispute with the Soviet Union over the Kurile Islands, wants a coordination of G-7 positions ahead of next month's London summit, in order to escape pressure to finance the lion's share of a rescue operation or assume a "moral responsibility" for a breakdown of Gorbachev's intended reforms.

Germany, on the other hand, would like the G-7 to go beyond this stage and draft an "agenda" for aid to Moscow, to be activated if and when the Soviet leadership presents concrete evidence of genuine reforms in the Soviet Union.

France is close to the German position on this point, while the United States and Britain are more or less openly opposed to committing themselves at the present stage.

Recent reform proposals aired by Moscow "just have no

official status" and neither political nor economic condition seem "right" at this point.

Reuter adds from Moscow: Soviet President Mikhail Gorbachev said on Friday he would blend various economic reform proposals into a single programme to present to leaders of the world's seven top industrial nations next month.

Anxious to create an impression of unity and commitment to market-oriented reforms, Gorbachev reacted sharply to dissent in the Soviet parliament which could jeopardise his chances of securing foreign support for his crumbling economy.

He told reporters in Parliament that there were no major differences between the government's anti-crisis programme and a radical plan presented by Russian economist Grigory Yavlinsky and a group of US economists from Harvard University.

Snippets

Foreign cos make oil finds in Ecuador

QUITO, June 22: Brazilian state oil concern Petrobras International SA and Atlantic Richfield Arco of the United States have made oil finds in Ecuador's jungle region, reports Reuter.

Petrobras said in a statement its Awant-1 well had been drilled to a depth of 10,562 feet and had yielded 1,600 barrels per day BPD of heavy crude.

Indian Rupee revised upward

BOMBAY, June 22: The Reserve Bank of India (RBI) here yesterday announced an upward revision of the Rupee by 1.02 per cent in relation to the Pound Sterling, making the British unit cheaper by 35 paise, reports PTI.

The new middle rate now works out to Rs 34.25 per Sterling as against Rs 34.60 previously.

The new buying and selling rates for spot delivery are 2.9270 and 2.9124 Sterling per Rs 100, corresponding to Rs 34.16 and Rs 34.34 per Sterling respectively.

Apple Computer, IBM talk market

NEW YORK, June 22: Apple Computer Inc and International Business Machines (IBM) Corp are talking about how to hold hands and share some secrets in their hotly competitive personal computer market, reports Reuter.

Officials from the two companies held a meeting recently.

Strategic links are not unique in the industry. But a link between top-ranked IBM and third-ranked Apple is an odd mix that underscores how leaders must work together to stay ahead of the pack, financial analysts said.

Analysts said the companies would not share everything. A more modest courtship is at work.

Japan's crude oil imports jump

TOKYO, June 22: Japan's imports of crude oil in May jumped 10.2 per cent from a year earlier to 19.07 million kiloliters (119.95 million barrels) in a turnaround from a 21.1 per cent drop in April, it was announced Friday, reports AFP.

The Ministry of International Trade and Industry said the may increase was mainly due to increased shipments from Saudi Arabia, the United Arab Emirates and Indonesia, which together supplied two-thirds of Japan's oil imports.

The decline in April resulted from the Gulf War, during which Japanese companies held high levels of oil stockpiles, ministry officials said.

US may accept limit on Iraqi oil revenues

UNITED NATIONS, June 22: The United States is willing to accept a 30 per cent ceiling on Iraq's future oil revenues to pay Gulf War reparations but wants assurances Iraq pays near that amount, Western diplomats said Friday, report AP.

The operative figure is to be determined by the UN Compensation Commission's Governing Council in Geneva at an unspecified date.

The United States had argued for Iraq to pay as much as 50 per cent of its oil revenues for war damages. Secretary-General Javier Perez de Cuellar recommended 30 per cent.

PNG to invest \$300m in agri sector

PORT MORESBY, June 22: Hidden Beneath Papua New Guinea's rugged mountains are rivers of gold and oil, but the rich volcanic soil that covers them is the key to the country's long-term prosperity, officials said, reports Reuter.

Papua New Guinea (PNG) plans to invest up to 300 million dollars over the next five years trying to rejuvenate its agricultural sector.

Although vital to the economic and political future of this troubled South Pacific nation, agriculture has taken a back seat to a resources boom in recent years because of depressed world prices for its main rural exports of coffee, cocoa and copra.

Malaysian tin output falls

KUALA LUMPUR, June 22: Malaysia's production of tin in the first four months this year fell by 27.4 per cent or 2,854 tonnes to 7,564 tonnes, figures released Friday by the official Statistics Department showed.

Malaysia produced 10,452 tonnes of tin in the first four months of last year.

The department said Malaysia exported 10,996 tonnes of tin, a 36.7 per cent drop of 6,365 tonnes this year, compared to 17,361 tonnes exported in the corresponding period of 1990.

Dubai for more oil shipping facilities

DUBAI (United Arab Emirates), June 22: Dubai, which already handles nearly 20 per cent of the Gulf's non-oil trade, is seeking to increase that share through expansion of its shipping facilities, reports AFP.

Officials in the oil-rich Emirate call it the hub of regional trade but with the opening of a giant cargo warehouse next month they expect the Gulf Port to become one of the biggest commercial entrepôts in the Middle East.

Japan to increase aid to Asian states slowly

TOKYO, June 22: Japan, already the world's top aid donor, plans to increase spending to meet a target set by the United Nations two decades ago, officials said recently, reports Reuter.

But they also said Tokyo will maintain its long-time priority of helping Asian neighbours, although it will have to assume a greater global responsibility.

The Foreign Ministry has a pilot plan to more than double Japan's Official Development Assistance (ODA) disbursements to 0.7 per cent of Gross National Product (GNP), a target set by the UN in 1970, over five years from April 1992, a ministry official said.

"We are not sure if the plan will materialise in those five years, but we are coming closer to the UN target," he said.

Japan was the world's biggest ODA donor in 1990 for the second consecutive year, a Ministry source said.

Preliminary Ministry figures show that Tokyo paid out around 9.3 billion dollars in ODA, up from 8.95 billion in 1989, when it first became the top donor, he said.

But Japan's aid was only 0.32 per cent of GNP against an average 0.51 per cent spent in 1989 by the 24-nation members of the Organisation for Economic Cooperation and Development (OECD), excluding the United States and Japan, latest available Foreign Ministry data show.

Final data for 1990 will be released after this month. Japan's task of increasing its ODA to 0.7 per cent of GNP seems thorny given the size

and pace of its economic growth.

Tokyo would have to raise ODA payment at least 20 per cent every year in a bid to achieve the goal by 1997/98 if nominal GNP grew 5.5 per cent per annum from 1993/94, the Ministry estimates.

"If everything goes well, Japan would have paid 4.15 trillion Yen or 30.3 billion Dollars in fiscal 1997," the

Ministry official in charge of ODA policy said.

So far, only four donor countries, with relatively small economies, have cleared the UN target of 0.7 per cent aid. Norway's ODA sum came to 1.02 per cent of GNP in 1989 followed by Denmark (1.0 per cent, Sweden (0.98), and the Netherlands (0.94).

None of the Group of Seven major industrial nations have reached the UN target yet.

Women discriminated in workplace

UNITED NATIONS, June 22: Many benefits won by women in employment, education and health care since 1970 could be reversed in the 1990s because of economic recession, said a UN report released on Friday, reports Reuter.

The 120-page report, "The World's Women 1970-1990" - said women are the first to suffer when jobs are cut.

All countries in the world practise some form of discrimination against women which prevents them from achieving their full potential, it said.

"Although there have been some improvements for women over the past 20 years, the majority still lag far behind men in power, wealth and opportunity," UN Secretary-General Javier Perez de Cuellar said in an introduction.

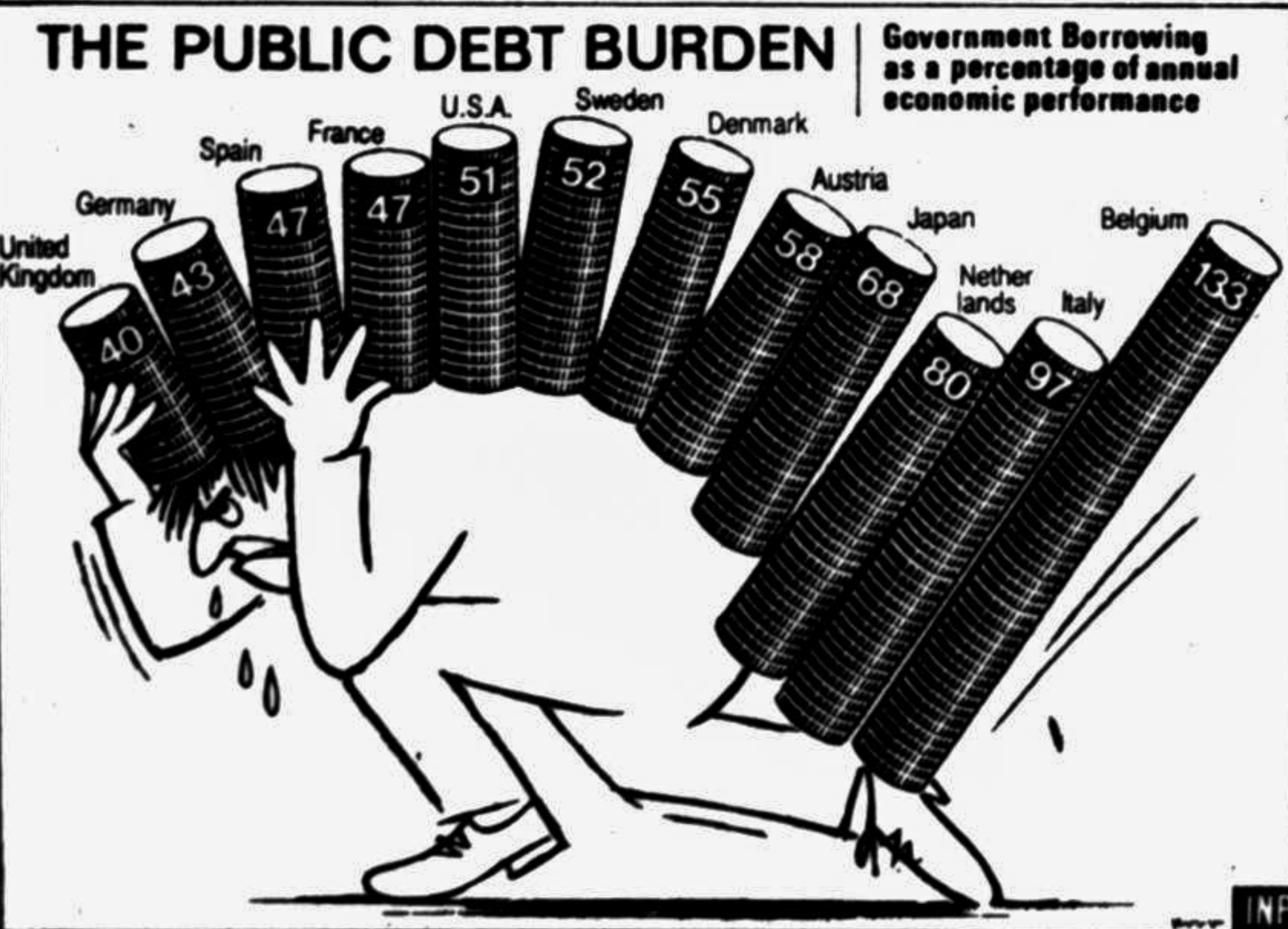
The report is the first at-

tempt to merge global statistics on women analysed by several UN agencies dealing with economic and social affairs, children, population and women in poor nations.

The report concluded that nearly every country discriminates against women in the workplace in pay, power, and responsibility - even though women constitute at least 41 per cent of the work force worldwide.

The average pay gap in non-agricultural sectors is between 30 and 40 per cent with no relief in sight, the study said. And segregation by sex is everywhere, with women inseparable, lower-paid occupations.

Ironically, a major discriminator is the United Nations itself, where women hold only three per cent of management jobs and eight per cent of senior management positions.



Comparison of the public debt burdens of several industrialised nations (measured in terms of their gross domestic product - GDP) places Belgium at the top (1989). Britons and Germans are at the lower end of the ranking.

Depressed state of commodity markets underlined

LONDON, June 22: Sugar prices registered the best performance of any of the commodities over the past week, rallying to their highest level since the end of last year on fears of nearby supply tightness, reports AFP.

The depressed state of commodity markets was un-

derlined by a report from the Economist Intelligence Unit (EIU) which said the weakness of prices had intensified recently and the prospects of a recovery were receding.

Platinum: Recovery after irregular start. After a steady start to the week, platinum lost around three dollars an ounce Wednesday following a new announcement of a platinum-free catalytic converter, this time by Japanese producer Isuzu.

Gold: Slightly easier after a steady start. Gold remained remarkably stable at the beginning of the week given the firm Dollar which would normally have weekend prices.

Silver: Irregular. Silver evolved irregularly in a relatively narrow band, influenced by monetary factors and the movement of other precious metals.

Copper: Firmer. Copper prices firmed steadily through

the week, reflecting concern, in the market about the impact of a potential strike in the Chilean copper industry.

Lead: Slightly firmer. Helped by the weak position of the pound, Sterling-quoted lead advanced slightly on the week, but traders indicated that any further gains were not justified by fundamental conditions in the market and were likely to run into producer selling.

Zinc: Slightly easier. With the evidence of an early recovery in the US economy still ambiguous, Zinc, a mainly industrially-used metal, eased slightly lower in thin trading.

Tin: Stable. In thin trading and with no major fundamental news to move the market, tin moved in a very narrow band close to previous levels.

Aluminium: Firmer then unchanged. News of a strike at Australia's Boyne aluminium smelter which coincided with

moves by investment funds to cover short positions helped boost prices considerably at the beginning of the week.

Nickel: Firmer. Ongoing concern about the tight state of the market lifted nickel prices to the top of their trading range.

Cocoa: Firmer. Prices were supported by the Pound's weakness against the Dollar at the beginning of the week, and by improved demand from the chocolate industry.

Vegetable oils: Steady. Vegetable Oils were firm this week on the European market, but the Economist Intelligence Unit estimated in its latest report that the world surplus of palm oil allied to stagnant consumption were responsible for the weakness of tropical oil prices, which they believe is likely to be accentuated in 1991-92.

Oil: Quiet. Brent Crude, the benchmark for North Sea Oil

production, firmed initially in a quiet market before losing a little ground.

Weekly statistics from the American Petroleum Institute, which revealed a fall of 909,000 barrels in US crude stocks and increases of 2.6 and 2.9 million barrels in stocks of gasoline and distillates, had little effect on the trend.

Rubber: Quiet. Natural rubber prices on the London physical market fluctuated in a narrow band influenced mainly by currency movements.

Grains: Quiet. Wheat and Barley futures moved in a narrow band in London, the Eid said that world wheat prices had been firmer than expected but that this would not last.

Maize has fallen as predicted and will continue to do so because the next harvest should be the biggest since 1985.

Tea: Irregular. Demand improved at the weekly auction where average prices advanced

to 170 Pence per kilo against 165, Pence for quality grade, but fell from 108 to 105 Pence for medium grades and from 74 to 72 Pence for low-medium.

The EIU said prospects were good for Tea which should benefit from a second half increase in the quality of supplies and could rally next year because of the tight supply/demand balance.

Cotton: Quiet. The Price Index on the Liverpool market moved in a narrow band, demand being focussed on supplies from Africa, Pakistan, Israel, Paraguay and the Soviet Union.

The EIU forecast a world production surplus in 1991 and 1992, prompting a net weakening of prices next year.

Wool: Stable. Prices were stable on the Bradford Market, which was supported by the Firm state of the Australian Market.