Snippets

Dollar climbs.

gold drops

Dollar strengthened against

major currencies at the end of

the day Thursday strengthened

by the Bundesbank's decision

to leave its main interest rates

unchanged, while gold moved

at 138.65 Yen against late

Wednesday's 138.50 and at

1,8345 German Marks (1.8130

Wednesday). The Dollar

opened at 1.8175 Marks and

higher against other European

currencies, trading at 6.2175

French Francs (6.1485), at

1.5905 Swiss Francs (1.5715)

and at 0.6232 Pounds Sterling

Struggles for freedom

from Soviet economy

July 13: Mongolians are cele-brating 70 years of indepen-

dence from China in the midst

of a struggle to overcome the

legacy of a planned economy

and total dependence on the

The main goal of this gov-

ernment is to enter the mar-

ket community, which is the

guarantee of our democracy.

the country's deputy premier,

Davaadorjiyn Ganbold, said at a

nation ended on July 11

1921, and a four-day anniver-

sary celebration began T

Thursday, featuring wrestling

matches, archery competitions

Asian nation of 2.1 million

people is more sobering

But economic reality in this

and horse races.

Centuries of Chinese domi-

news conference this week.

Soviet Union, reports AP.

ULAN BATOR (Mongolia).

Dollars to 367.80 Dollars.

An ounce of gold fell 2.20

The US currency was also

The greenback was trading

lower, reports AFP.

138.20 yen.

(0.6165)

NEW YORK, July 13 The

#### Western experts dissatisfied with Soviet reform

MOSCOW, July 13: A group of western financial experts ended a G-7 preparatory visit to Moscow this week dissatisfled with progress on reform, a Soviet participant in the meeting said, the Soviet Interfax news agency reported, says

The independent economic expert. Sergei Aleksashenko, who attended a seminar with advisers to Soviet President Mikhail Gorbachev at the Foreign Ministry at the beginning of the week, said that "these experts are not satisfied with the situation in the Soviet Union."

The western experts were from the World Bank, the Organisation for Economic Cooperation and Development, the European Bank for Reconstruction and Development and from the International Monetary Fund (IMF).

The experts had told that they did not believe that the Soviet government was ready to direct economic reforms and said they were "surprised" by the low professional level of government officials.

These officials did not really understand what they wanted to receive in the economic field. Interfax said.

The western experts expressed concern at the lack of an agreement between Soviet republics on the problems of a single currency, taxes and the banking system.

They said that "in the absence of such agreements you will obtain nothing in London except vague promises. Aleksashenko said.

The experts were to report and make recommendations to the Summit of Seven leading industrial nations (G-7) which begins in London on Monday.

# Thin trading at DSE

Star Economic Report The week began at Dhaka Stock Exchange (DSE) on

Saturday with thin trading. In all 2,695 shares and debentures changed hand compared with Thursday's 9,841. Traded issues valued Taka 2,33,561.50 against Thursday's Taka 3,24,986.00.

Decliners dominated transactions. And DSE All Share Price Index, which is the broad indicator of price movements of all the listed stocks, lost to 306.0478 points

from Thursday's 306.6059. Transactions involved twenty three stocks. Of them eleven lost, six gained and six remained unchanged at their

previous quoted prices. Rahman Chemical lost Taka 11.50 to Taka 37.50.

AB Bank and Dulamia Cotton declined Taka 2.00 each to Taka 180.00 and Taka 86.00 respectively.

Food, Dhaka Bengal Vegetable, Sonali Aansh, Kohinoor Chemical, Monospool Paper, Tallu Spinning, Bata Shoe and Milon Tannery lost within the range between Taka 0.05 and Taka 1.00.

Green Delta Insurance, Howlader PVC. Renwick Tajneswar, Beximco Pharma, Chittagong Cement and Usmania Glass advanced within the range between Taka 0.25 and Taka 0.75.

#### Quoted Prices of Traded Stocks July - 13

TI	"FV/ML	Closing	"Changes
		(Taka)	(Taka)
Breeks			
A.B. Bunk	100/5	180.00	(-2.00)
IFIC	100/5	190.00 U	Inchanged
Insurance			7
Green Delta	100/10	119.00	(+0.50)
Regimeering			
Bengladesh Autocan	100/5	104.00 U	Inchanged
Howlader Pvc	100/10	102.00	(+0.50)
National Tubes	100/10	108.00 L	Inchanged
Retrivtck Jajneswar	100/5	67.00	(0.25)
Food & Allied	100000000		1310-1312
Bengal Food	100/5	154.00	(-1.00)
Dhaka Vegetable	100/5	134.00	(-0.33)
Adm	DOMESTIC.		NSAESE-SEE
Sonali Anush	100/5	83.18	(-0.82)
Pharma & Chem			1.0
Bextmeo Pharma	100/5	173.75	(0.75)
Kohtmoor Chemical	100/5	69.25	(-0.75)
Raman Chemicals	100/10	37.50	(-11.50)
Paper & Printing			(1503575566
Monospool Paper	100/5	107.00	(-1.00)
Testile			3 13
Dulamia Cotton	100/10	86.00	(-2.00)
Satham Textile	100/10	78.00 Unchanged	
Tallu Spinning	100/10		(0.21)
Miscellaneous		TEEGOTN	10.700555/
Bata Shoe	10/100	36.50	(-0.75)
Bextmeo	10/100	9.00 L	Inchanged
Chittagong Cement	The state of the s		(+0.50)
Milon Tannery	100/5		(-0.05)
Usmanta Glass	100/5	134.50	(+0.50)
Debouters	(E-0)75/90	ASSESSMENT .	
Apex Tannery	1000/1	990.00 t	Inchanged

FV= Face Value, ML=Market

\*\* Changes: Plus signs mean gain and (-) signs losses.

Dhaka Stock Exchange

Market Profile

July - 13 134 Listed Stocks

117 Unchanged 6 Gains 11 losers 117 Unchanged stocks include six traded on the day at its previous quoted prices.

DSE All Share Price Index = 306.0478 Issued Capital=Taka 5,439,680,590 Market Capitalisation = 8,745,395,640 Turnover = Taka 2,33,0561.50 (Value) 2,6,95 (Volume).

Pakistan for parallel banking system for Muslim states

# BCCI used for CIA operations

NEW YORK, July 13: The Luxembourg-based Bank of Credit and Commerce International, seized last week by international banking regulators, was used for Central Intelligence Agency (CIA) operations, the New York Times reported today, says Reuter.

Quoting US government and bank documents and current and former officials, the newspaper said the 19-year-old bank, which had mainly Arab investors and Pakistani management, was involved in secret arms deals.

It said the included the 1986 covert sale of American arms to Iran, using accounts that international arms dealer Adnan Khashoggi claimed in a 1987 interview that he controlled.

The CIA used the Bank to funnel money to Afghan rebels and ousted Panamanian strongman Manuel Noreiga used it for intelligence operations that he has said he engaged in largely at the CIA's

Luxembourg allowed the 20 billion Dollar bank to operate with secrecy and under relatively lax regulation, the New York Times said.

The Bank operated in more than 70 countries and it's

The government has under-

taken a long-time capital mar-

ket development programme

with the Asian Development

capital markets in Dhaka on

Saturday, State Minister for

Finance Mujibur Rahman said a

committee was examining

recommendations of experts

both from home and abroad

and international agencies to

introduce realistic pro-

grammes in the light of pre-

sent capital market condition.

The Minister identified

various disadvantages in the

present capital market and

said security market (bond,

stock, share-debenture) was

very depressed and disorgan-

ised compared to the non-se-

curity market (banking sector).

tion is only 2 to 5 per cent of

the national income. In this

stage, the non-security market

sure for investment while the

investors have to go for risky

Not only this, the State

Hiroto Arakawa, Director.

Corporation Fund (OECF) said

that OECF would undertake

development work of

Chittagong airport for its

upgradation to an international

in the wake of his meeting

with Federation of Bangladesh

Chambers of Commerce and

Industry (FBCCI) President

Alhaj Akram Hossain at

Federation Bhabon on

Arakawa's visit was aimed at

obtaining the views of FBCCI

for development of Chittagong

Airport into an International

Airport. For that purpose,

Arakawa wanted to know the

three inter-related information

such as, climate of foreign in-

vestment in Bangladesh par-.

ticularly in Chittagong area

after recent devastating tidal

surge and cyclone, impact of

export processing zones at

Dhaka and future expansion of

charge of Chairman Board of

a member of Acting

President's advisory council.

Besides, he had been ap-

pointed in different important

positions of Bangladesh gov-

The FBCCI President ex-

EPZ in Chittagong.

Arakawa's assurance came

Economic

loan receiving, he added.

Overseas

airport.

Saturday.

undergoes uncalled for pres-

He said market capitalisa-

Inaugurating a workshop on

Bank (ADB) assistance.

hierarchy included heads of state and people with ties to intelligence agencies and armed services throughout the world, the newspaper said.

A leading investor in the bank, businessman Kamal Adham, formerly headed the Saudi Arabian Intelligence Agency, the New York Times said. One of his business partners was Raymond Close, the former CIA station chief in Saudi Arabia in the 1970s, the newspaper said.

AFP from Islamabad adds: Pakistan on Friday urged Muslim countries to develop parallel banking systems, following the BCCI setback.

"We cannot live under pressure for ever." Federal Minister for Industries and Interior Chaudhury Shujat Hussain told the Associated Press of Pakistan.

"The Muslim world. through its central banks. should seriously work on developing parallel banking systems for themselves," Hussain

imposed on the BCCI by the Luxembourg authorities and the Bank of England had shocked the banking and business community.

Long-term capital market plan taken up

Security market depressed

Star Economic Report

Minister said, the small sav

ings can hardly be transferred

to investment as a result of

the absence of direct commu-

nication between the investors

and the depositors in this cir-

He also said that incom-

plete perception about capital

market, lack in skilled man-

power and institutional com-

plexities and that in the con-

cerned laws could be identi-

fied as main impediments in

the way of reorganising the

industrial sector as an indis-

pensable prerequisite to the

speedy development of the

economy, the State Minister

said that the role of an active

and organised capital market

was very much important to

The Minister said the gov

ernment had taken various

important measures for reju-

venating the national economy

which was shattered during

also taken bold steps for intro-

plained that the government

has been taking all out efforts

to regain momentum in the

economic activities in

Bangladesh particularly for for-

since government has liber-

alised the foreign investment

policy which ensured easy

eign investment is encouraging

Business climate in

Chittagong Area.

He said the government had

the long autocratic rule.

Listing development of the

cumstances.

capital market.

achieve that goal.

He said the sudden freeze

The minister asked the Shetkh to arrange payments to small and middle class Pakistani depositors.

A report from Hong Kong says: A group of angry depositors of the local branch of BCC! Friday petitioned Beijing's representative office for help.

The group went to the headquarters of the Xinhua news agency to submit their petition asking the Chinese government to intervene, following an announcement by the British colonial government here that it had no intention of bailing out the local branch of the bank, BCCI. Hong Kong.

The spokesman of the group said, "all of us here believe we can not trust the British government anymore. It gives misleading information all the time, not keeping us in formed." Another report from Seoul

adds: A major row is erupting between the South Korean government and foreign diplomats who had their deposits locked away when local authorities froze activities of the Seoul branch of the BCCI.

Incensed diplomats from 33 countries met late Thursday at a European em-

ducing market-oriented econ-

omy through such measures

including reform in the finan-

cial sector, amendment to the

company law, amendment to

the functioning of Exchange

Control Regulation, introduc

tion of the Banking Company

Ordinance '91 and introduc-

tion of value added tax (VAT)

Government of Bangladesh.

UNDP and DCCI, the five-day

workshop is being conducted

by a team of consultants from

The inaugural function was

the Unit Trust of India (UTI).

also addressed, among others

by Additional Secretary of the

Ministry of Finance. Dr

Haroon-ur-Rashid, and the

UNDP Representative Mr

Kishore Tandon. DCC1

President Mahbubur Rahman

Ministry of Finance, various

development financial institu-

tions, banks, trade bodies and

private sector institutions are

repatriation of profit and pro-

vides guarantee against nation-

comes foreign investment par-

ticularly through joint venture

and other collaboration ar-

rangements, he added. He also

said the foreign investment in

Bangladesh can play pioneer-

ing role in training the labour

The private sector also wel-

taking part in the workshop.

Professionals from the

was also present.

OECF to help develop Ctg Airport

Star Economic Report

Alhaj Md Akram Hussain President, Federation of

Bangladesh Chambers of Commerce & Industry (FBCCI)

holds talks with Hiroto Arakawa (2nd from left), Director

The Overseas Economic Cooperation Fund (OECF) on

Jointly organised by the

system.

bassy in Seoul to coordinate strategy after a protest they filed with the Central Bank of Korea (BOK) went unheeded. diplomats said.

.The diplomats said that 120 of their colleagues from 33 embassies have had part or all of their deposits frozen. In addition, the accounts of several embassies have been frozen, forcing some to cut back operations.

They have called on the South Korean government to intervene to allow them to withdraw their money, which several diplomats estimated at six million Dollars altogether.

AFP from Lagos writes: The Nigerian branch of the failed BCCI bank, the Bank of Credit and Commerce International Nigeria Limited, has been renamed African International Bank (AIB), the management said in Lagos.

The change, made with the agreement of the central bank, had nothing to do with the collapse of the world operations of the London-based **BCCI** bank, Managing Director Abdulahi Mahmud told a press conference.

He said the move had its origins in the takeover of the bank by Nigerians last year.

### Gorbachev's letter fantastic, says Bush

KENNEBUNKPORT (Maine) July 13: President George Bush said Friday that a letter from Soviet President Mikhail Gorbachev to world leaders had not eased all of his concerns over Soviet reform plans, reports AFP.

Bush told reporters at his summer home in Maine that he had been fully briefed on the 23-page letter Gorbachev sent Thursday to leaders of the seven major industrialised nations who are to meet the Soviet President after their summit in London next week.

"It's a fantastic letter. We've got some differences with it," Bush said.

Gorbachev is to outline reform plans to the leaders of the United States, Japan Canada, Britain, France, Germany and Italy in hopes of obtaining western backing to help implement the programme.

Brent Scoweroft, Bush's national security adviser, described the letter as a "broad" description of Soviet economic reform plans but said it contained the same kinds of things that we're seen before."



side Lancaster House here July 12. Stringent security was in force in readiness for the start of G-7 Summit due to begin on July 15. - AFP photo

# G-7 finance ministers to celebrate '80s boom

LONDON, July 13: Finance ministers of the world's seven richest economies will be con gratulating themselves next week on the boom decade of the 1980s and arguing that re cession now plague in three of the countries is abating, re ports Reuter.

British government officials said yesterday that the finance ministers of the Group of Seven (G-7), meeting along side the summit of heads of state and government, wil take stock of progress in tack ling obstacles like inflation during the 1980s.

They will want to take credit for the policies and what they have achieved..... they will say that taking the '80s as a whole (policies) have been very much more successful than previously, " a senior official said.

Despite the fact that three G-7 members - Britain. Canada and the United States are in recession, the finance ministers would argue that the conditions were right for world recovery.

"I think they will want to say that conditions are now in

place for economic recovery After all interest rates have come down, inflation is beginning to come down, but we have got further to go.... the British official said. The other G-7 members are

Japan, France, Germany and

Finance ministers would not attempt to offer a prescription for economic growth and recovery but would stress the need for micro-economic reform such as privatisation and promotion of competition to maximise the efficiency of individual economies.

The summit does not say to individual countries you must do this nor does it tell the world what to do," the official said.

On world interest rate and fiscal policy, the summit was unlikely to go further than a meeting of G-7 finance mintsters, also in London, three weeks ago.

A communique from that meeting emphasised the importance of firm financial and monetary policies to give low

#### Soviet industrial output to shrink MOSCOW, July 13: Soviet

industrial output will shrink and 13 per cent of the country's enterprises will go bankrupt as a result of new legislation being considered by parliament, the official news agency Tass said on Thursday, reports Reuter.

The Bill, approved at a first reading on Wednesday, will abolish state subsidies for unprofitable enterprises. Tass

It quoted First Deputy Prime Minister Vladimir Shcherbakov as saying the bill would lead to "the bankruptcy of 13 per cent of the country's enterprises and contraction of industrial output by three to

five per cent." The Soviet parliament. which begins its summer recess on Friday has been rushing through a series of laws aimed at introducing a market

economy to replace the old system of central planning

#### UN aid plan for Afghanistan

The strategy envisaged un-

der a UN Multi-purpose

Rehabilitation Fund (MRF)

from Moscow's 400 million

Rouble (600 million Dollar)

pledge is to purchase

the reconstruction of the war

torn country and to draw the

maximum benefit from the

as possible from the Soviet

pledge because it is going to be

a challenge for Moscow to

UN diplomat said, referring to

the growing economic chaos ir

African bank try to

rescue fund from

stick to its commitments,"

"We hope to draw as much

pledge as quickly as possible.

"practical items" needed for

KABUL, July 13: The United Nations plans to sperid Roubles from a massive aid the country's disused oil wells back into operation, a leading package for Afghanistan in direct purchases from the economic daily reported here Russian market with a view to developing future trade links per said the Soviet Union between the Soviet republics and Kabul, reports AFP. planned to use foreign equip-

ment and expertise this year and next year to revive the 6,000 out-of-use wells. Officials of Jeuro Container Transport Co - based in Yokohama, south of Tokyo -

The Nihon Keizai newspa-

were quoted as saying. Moscow hoped to pay for foreign equipment and services with crude oil. Obsolescent equipment and lack of investment is expected

to cause a decline in Soviet crude production from 11.5 million barrels per day last year to 9.2 million by 1995. The consequent fall in hard

currency revenue would severely damage the Soviet economy, the newspaper said.

Jeuro, which has shipped containers along the Trans-Siberian railway for more than 20 years, learnt of Moscow

## Exchange Rates

July - 13

Commercials Banks, for Bunk Cheques, (BCs) and Overseas Drafts (ODs) One Unit of Foreign Currencies (FCs) for Taka

Selling US Dollar 36.6226 UK Pound Sterling 59.3505 German Deutsche 20.2000 19.9223 Mark French Franc 5.9549 Saudi Riyal 9.7974 **Dutch Gutlders** 17.9434 17.6935 Pakistan Rupee 1.4896 1.4755 (AMU\*) Singapore Dollar 20.6201 20.5452 UAE Dirham 10.0053 9.8732 **Kuwait Dinar** Indian Rupee

AMU-Asian Monetary Union SECONDARY EXCHANGE MARKET Wage Earners Fund/ Export Performance Benefit (XPB) Fund

US Dollar **UK Pound** 60.79 Sterling Saudi Riyal UAE Dirham 10.16 The rates of Pound Sterling are decided every day, based on the cross Source: Sonali Bank

SELLING AND BUYING RATES, offered by

1.4031 S. Kroner 5.5637

Treasury officials at the Buying 37.19 Selling 37.24

#### BCCI ABIDJAN (Ivory Coast), July 13: The African Development

the Soviet Union.

Bank is sending a delegation to London to try to rescue funds blocked in the collapse of the Bank of Credit and Commerce International, a spokesman said Friday, reports AP. The spokesman, who re-

quested anonymity, confirmed growing ears in the region of a backlash that could affect al ready weak local banks, as well as heavily indebted governments that bank with the London-based BCCI.

Financial sources in Abidian cited as an example the government of Cameroon, which they said had as much as a third of its total foreign exchange reserves, estimated at dirs 80 million, in BCCI ac-

African Development Bank refused to say how much of the bank's money has been frozen since BCCI was shutdown in most countries last week in an international swoop orchestrated by the Bank of England.

#### Aminul Haq Singapore-Soviet takes over as duty free shop **BSB** Chairman soon Star Economic Report

SINGAPORE. July 13: The first Singapore-Soviet duty free Chowdhury KM Aminul Haq shop will open later this year on Saturday took over the at the Russian republic's Black Sea resort of Sochi, 1,400 Directors of Bangladesh Shilpa kilometres (900 miles) south Bank (BSB), a press release of Moscow, Press reports here said Saturday, reports AFP. In the past Chowdhury was

Saturday at Federation Bhaban.

The Aeroprima Joint Venture between the Soviet Aeroflot airlines Singapore's Prima Merchants Interterade (PMI), was set up last year with a capital of five million Singapore Dollars (three million US), the daily Business Times said.

The paper quoted PMI corporate planner Kong Yong Yeo saying the cooperation followed negotiations with the trade office of the Soviet Embassy in Singapore. However, officials from

PMI, a subsidiary of flourmilling company Prima Ltd. were unavailable for direct comment on the deal. Aeroprima's second duty free shop is expected to open

next year

WASHINGTON, July 13: The US Federal Reserve and other major central banks intervened on exchange markets Friday to move the Dollar down, according to a highlevel US official, reports AFP.

of the central banks and "it's accurate that the Fed participated", said the official speaking on condition of anonymity.

"Nobody is ruling out intervention", he continued, nothing that "with a certain amount of intervention, but not too much," the Dollar has remained relatively stable for the past five years. Treasury Secretary Nicholas

Brady played down the Dollar's recent climb Thursday night and said that it did not threaten the growth of US ex-"Actually, the Dollar is

stronger than it was," Brady

told CNN television network.

trading range for the last four

or five years".

"But it's been in the same basic

The Treasury Secretary said he did not think leaders of the Group of Seven (G-7) top industrial nations would pressure the .United States to force down the Dollar during their

#### force, developing entrepreneurship and expanding investment in key areas like electronics, handicrafts, specialised garments and textile including export oriented heavy industries.

A large number of people from Chittagong area are employed abroad including middle eastern countries, he said and added development of the existing Chittagong Airport into an international airport will help further investment promotion in EPZ, Chittagong and will also attract investment in export oriented industries like fertilizer, fish and food processing and leather industries. Tourism industries will also develop further and communication with rest of the world will be easier for the investors in Chittagong, he

emphasised. Hiroshi Haruta, Chief Representative, Dhaka Office and Dr. AKM Ghulam Rabbani, Project Director RDL Cell FBCCI were also present during discussion.

#### KUWAIT CITY, July 13: Oil higher than those in 1989. production of the 13-nation said the report. AFP from Tokyo adds: The Organization of Petroleum Soviet Union has asked for as-Exporting Countries (OPEC) sistance from Japan and other will reach 28.2 million barrels industrialised nations to put

**OPEC** output to top

28m BPD in late '91

Saturday.

per day by the end of this year. an OPEC report released here said yesterday, reports Xinhua. OPEC's Middle East states

will produce 19 million BPD. the lion's share of the total. the report predicted.

Earlier reports said that Saudi Arabia alone has been pumping out 8 million BPD because Kuwait asked Riyadh to make up for the quota of 1.5 million BPD on its behalf and Iraq has been banned from exporting oil. Even during the Gulf crisis

triggered by Iraq's invasion of Kuwait, OPEC turned out 24 million BPD (excluding those from Kuwait and Iraq), registering an increase of nearly one quarter over the daily output before the crisis, the report said.

OPEC oil revenues reached 165.8 billion US dollars in 1990, about 30 per cent

# Move to down Dollar ministers and central banks.

summit meeting Monday in London.

On the summit, the secre-"I can confirm" the actions tary said Friday the final communique issued at the end of the meeting they would be along the same lines as the one published after the last round of talks June 23 G-7 finance

"I will be very surprised that this communique will be much different" from the one published three weeks ago which stressed the need for economic growth, price stability and policies aimed at lowering interest rates, said Brady.



President Mahbubur Rahman on Thursday at the Chamber Office. They discussed various aspects of strengthening further economic co-operation including Korean investment in Bangladesh.