

# Perceptible improvement in economy, observes Saifur

Finance Minister M Saifur Rahman said in Dhaka Saturday that there had been a perceptible improvement in the overall economic situation and hoped it would gather momentum very soon, reports BSS.

He was inaugurating a seven-day course on macro-economic management, organised by the Institute of Chartered Accountants of Bangladesh (ICAB) in collaboration with the United Nations Development Programme (UNDP) at the Metropolitan Chamber of Commerce and Industry auditorium.

Presided over by the ICAB President, Quadir Mollah, the inaugural function was addressed among others, by former Deputy Prime Minister Jamaluddin Ahmed and ICAB Vice President M A Halim Ghaznavi and UNDP Representative Sophie de Caen.

Dwelling on the economic situation in the country, the Finance Minister said that the policies and programmes being pursued by the present government were paying dividends despite ruination of financial discipline and mismanagement by the past autocratic regime as well as the onslaught of flood, cyclone and

the global recession. He appreciated the role of business community and the Chambers of Commerce and Industries in extending excellent support to implement the government programmes for restoring financial discipline and management.

He, however, referred to the institutional weakness and legal drawbacks and said government would bring fresh bill in the coming session of Jatiya Sangsad for improving institutional control as well as realising bank money from the defaulters.

The Finance Minister pointed out that the country's balance of payment position had improved substantially during the last one year since October 1990. At present the balance of payment is in favour of Bangladesh with 150 million dollar, he said.

Regarding the implementation of Annual Development Programme (ADP), Rahman said that funds were there but management problems had to be eased for its proper execution.

In this connection the Finance Minister referred to the government's macro-economic policy and said it had already started helping devel-

opment of market economy, which, he said was the main trust of the democratic government.

The Minister stressed the need for ensuring a hospitable environment to attract foreign investment. He listed a package of incentives offered to foreign investors which included liberalisation of trade and industrial policies and lowering of bank interest rate.

Appreciating the ICAB initiative to organise the course on macro-economic management he said he hoped the ICAB would play an important role in improving the country's economic situation.

Bangladesh economy has performed well in the first five months of the current fiscal 1991-92, the Finance Minister said, there were improvements in almost all the macro-economic indicators.

The inflation rate steadily moderated to 4.7 per cent by October 91 reflecting a continued cautious fiscal management. He maintained, earnings from tax revenue were more than the budgetary estimates due to the higher collections in the form of VAT and income tax.

The overall balance of payment registered a surplus of

more than 150 million dollar during the first four months in the current fiscal 1991-92 compared less than 50 million dollar during the corresponding period of the last year, the Finance Minister said, adding that the gross official foreign exchange reserve rose to 1.2 billion dollar at the end of November '91 compared to 0.88 billion dollar in November '90.

Explaining the steps taken recently to boost the economy, the Minister said, monetary and interest rate policies were relaxed within a prudent limit not to disrupt the financial stability. The Central Bank's discount rate was also reduced by 0.5 per cent to 9.25 per cent. It was followed by a 0.5 per cent reduction in commercial bank lending rate and a reduction in the cash reserve requirement ratio by 1.0 per cent to 7.0 per cent, he said and went on.

Bangladesh Bank had issued guidelines to facilitate a cooperative resolution of the loan recovery problems between banks and defaulters.

The finance Minister reiterated the government's commitment of further economic liberalisation.

## Rian Motors to service motor bikes free in northern dists

By Staff Correspondent

Rian Motors Ltd will start a free servicing campaign for the Suzuki motor cycles it marketed in the northern region from Sunday.

The campaign will start from Rajshahi and will cover Naogon on December 24, Bogra on December 25 and 26, Joypurhat on December 27, Rangpur on December 28 and 29 and Dinajpur on December 30 and 31.

A servicing team of the Rian Motors comprising a service engineer and some technicians have already left for the destinations.

## Drift-net fishing banned

UNITED NATIONS, Dec 21: The UN General Assembly adopted a resolution Friday banning worldwide ocean drift-net fishing by the end of 1992 in a move backed by the three countries most involved in the practice, reports AP.

The resolution to ban the practice, in which 48-kilometer long nets are used to snare any marine life in their path, had been opposed by Japan, South Korea and Taiwan.

But Japan, which has the world's largest drift-net fleet, became a co-sponsor of the resolution and South Korea and Taiwan, agreed to halt the practice by the end of 1992.

The nets, which environmentalists have labelled "curtains of death," are invisible to sea life, scooping as deep as 15 meters into the ocean to trap and kill whales, seals, dolphins, tuna and sea birds.

"We're absolutely delighted," said Graham Cox, spokesman for the National Audubon Society. "It's not a moment too soon."

## 'Another blow to jute sector'

By Inam Ahmed

The new agreement between the jute workers and the government would burden the jute sector with further financial involvement which would further affect the viability of the sector, sources concerned observed.

The agreement would cost the private jute mills about Taka 11 crore in excess of their current budget for the next six months. According to the agreement signed on last Thursday, workers of the jute mills will get an interim relief of Taka 500 each for the month of January and Taka 200 every month until the wage commission report takes effect. The report is expected to be announced within three months.

The fresh financial liabilities of the BJMC will even be greater, sources said. The figure, however, was not available.

Both private and government jute mills have been suffering huge sums of losses for a long time. The loss in BJMC units during fiscal 1990-91 was Taka 243 crore while it was Taka 96 crore in private sector mills. The loss during the first four months (July-October) of the fiscal 1991-92 was Taka 91 crore in BJMC mills and Taka 24 crore in private units.

Jute mills sources said the new agreement would increase the losses of the jute sector. They will also face serious liquidity crisis as they have not been getting their subsidy against the Proceed Realisation Certificate (PRC) from the commercial banks since July, 1991. The banks contend that they are unable to provide further subsidy as the Bangladesh Bank has not replenished the fund for previous year's subsidy.

"Such incremental, piecemeal agreement have affected us in the past resulting in a perpetual nose-down position of the jute sector," said a senior BJMC official requesting anonymity.

The agreement signed between workers and government in 1989 resulted in an excess expenditure of Taka 188 crore for the BJMC and another Taka 92 crore for the private jute mills. The agreement provided for one extra grant, one special increment and 10 per cent dearness allowance for the workers.

Sources said any increase in wages must be linked to productivity of labourers. They said that productivity of the labourers fell significantly in the recent years while the wages went up. "Such trend would cripple the jute industry for ever," they added.

Earlier the government had given an impression that unless the World Bank report on jute was finalised and given to the government for study, no action regarding wage increase and other demands of the jute mills workers would be considered, according to a concerned observer.

The World Bank in its report suggested the government for removing surplus workers and to take necessary steps to make the mills viable before privatisation. The WB is also opposed to any increase in wages.

## Wage-hike for workers suicidal to economy, says Employers Assoc

By Staff Correspondent

Bangladesh Employers Association (BEA) Saturday said that government's concession with jute and textile workers saying the fresh wage concessions were suicidal to the economy.

In a statement it said the agreement would affect healthy collective bargaining and make it difficult to confine trade union activities only to work places.

The association viewed that public demonstration, destruction of public property and barricading roads are illegal activities and need to be punished. Rather they are being rewarded through negotiations with concession, it observed.

The association said that the Sangram Parishad of workers was an illegal entity as far as industrial relations were concerned and added that any party that held dialogue with such an "illegal body" committed offence under the Industrial Relations Ordinance 1969.

The association questioned the legal implications of the dialogue held by the government.

BEA said that the government had given wage concession in sectors which were already sick.

The productivity of both jute and textile mills had gone down significantly over the years, it stated adding that these units were also suffering from gross inefficiency, over-staffing, ghost workers, false overtime and utter indiscipline.

It observed that the fresh wage concessions were suicidal to the national economy in general and the sectors in particular.

## BCCI pleads guilty

NEW YORK, Dec 21: The Bank of Credit and Commerce International pleaded guilty to fraud and larceny on Friday as part of its settlement of charges stemming from the largest financial fraud in history, reports Reuters.

The formal plea to charges brought by the Manhattan District Attorney's office followed an agreement announced on Thursday in which the disgraced bank will give up 550 million dollar in the biggest single criminal forfeiture ever obtained by the US government.

The agreement settled both federal charges brought in Washington and the New York indictment resulting from probes into the fraud, in which losses were estimated to exceed 15 billion dollar.

"The magnitude of the crimes charged in the indictment boggles the mind," said New York State Supreme Court Justice Peter McQuillan. "It is probably the largest bank fraud ever perpetrated."

Under terms of the plea entered by Frederick Davis, a lawyer for BCCI liquidators in Britain, Luxembourg and the Cayman Islands, BCCI will also pay a 10 million dollar fine.

Luxembourg-based BCCI, which once had more than 20 billion dollar in assets and branches in 69 countries, collapsed this year and in July banking regulators around the world seized the bank.



Finance Minister M Saifur Rahman being received by Ansem A Quam, MD of Homebound Packers & Shippers Ltd, at a reception on the occasion of the 20th anniversary of the firm at Sonargaon Hotel Thursday.

## Steps to reactivate DFIs, sick enterprises proposed

Economists and experts Friday proposed a package of 13-point recommendations to reactivate the Development Financing Institutions (DFIs) with full autonomy and accountability and to reactivate the sick industries in the country, reports BSS.

The recommendations include providing working capital to sick units, formation of a national body with entrepreneurs, professionals and officials for their regulation

and rehabilitation, and institutionalizing a mechanism for their transfer.

The recommendations were adopted at the concluding session of the three-day seminar on "DFIs of Bangladesh: Policy, Performance, Problems and Prospects," in Dhaka.

Enhance import duties on foreign items and take stern actions to stop smuggling for protection of the local industries," they said in their recommendations at the seminar organised jointly by the German Cultural Centre, Carl-Duisberg Samity Bangladesh, Alumni Association of German Universities in Bangladesh and Humboldt Club of Bangladesh.

It was inaugurated by Finance Minister M Saifur Rahman on December 18 at German Cultural Centre.

To root out the default culture, the experts recommended publication of a "black list" of the bank defaulters, strict use of the

bankruptcy regulations and penalization, privatization of the DFIs, simplification of the loan sanctioning procedures, encouragement of the small industries, feasibility studies by the proper authorities before sanctioning loans and monitoring the use of the funds.

The experts called upon the government to improve the managerial skill with a system of shouldering the responsibility of failures of the enterprises by the management, and punishing the officials and entrepreneurs for their mistakes or corruptions. They also recommended training of the DFI officials and entrepreneurs.

Dr Abdullah Faruq, Dr Sheikh Maqsood Ali, Dr Mahbub Hossain, Dr A H M Habibur Rahman and Dr Mahfuzul Hoq presided over five different working sessions Friday and Thursday. Dr K A Nabi, A Karim, Dr A R Khan, M S Hoq, Dr M Z Ilaq, K M Salahuddin and A J M N Chowdhury presented the key-note papers.

## Business Briefs

**China-US talks begin:** China and the United States started two days of negotiations Saturday in an urgent attempt to head off sanctions that would spark a tit-for-tat trade war, reports Reuters from Beijing.

US Assistant Trade Representative Joseph Massey began the talks on the protection of intellectual property this morning with a Chinese team headed by Minister of Foreign Economic Relations and Trade Li Lanqing, a ministry officials said.

**US Agri Dept aids Armenia:** The US Agriculture Department will donate nearly 15 million dollar in wheat and dairy products to Armenia under an agreement signed Friday with the diocese of the Armenian Church of America, reports AP from Washington.

The donation is the first under a 165 million dollar humanitarian aid programme announced last month by President Bush to help the former republics of the Soviet Union.

The donations are in addition to 1.25 billion dollar in US government credit guarantees that help the republics buy US farm products.

Deputy Agriculture Secretary Ann M Veneman said the donations announced Friday would provide about a month's supply of dry milk and a two-month supply of butter. Food shortages in Armenia are anticipated this winter.

**US opens to telecom market:** The United States says it is willing to give foreign telecommunication companies full access to the US domestic and international long distance telecommunications market, reports USIS from Washington.

The offer, announced December 18 as part of the Uruguay Round of multilateral trade negotiations, is conditioned on major US trading partners agreeing to open their own long distance telephone services market to international competition.

**Oilfield found in Yemen:** The Canadian oil firm Oxy Off-Shore International Ltd has discovered an oilfield in the Sona-Huga-Kamal region of Eastern Yemen estimated to hold 550 million barrels of crude, officials said here Friday, reports AFP from Sana.

They said that initial studies indicate that 235 million barrels of oil could be extracted from the field.

Pumping will start in the first semester of 1993 at an expected rate of 120,000 barrels of crude oil per day (B/D), the sources said.

**Japan accused of dumping minivans:** The Commerce Department ruled Friday that Toyota, Mazda and other Japanese automakers have been "dumping" minivans at artificially low prices in the United States to carve out a larger share of this market, reports AP from Washington.

The preliminary ruling which came at the request of the Big Three US automakers means that the government will now impose duties on minivans covered by the decision.

The amount of the duties will vary depending on the extent to which the minivans were found to have been under-priced for US sale.

## 'Power sector system loss should not cross 20.60 pc'

By Staff Correspondent

Around Taka 460 crore can be saved each year if the system loss in the power sector is reduced to 20 per cent from the existing 40 per cent, according to a paper presented by BD Rahmatullah, Director of System Engineering and Design, Rural Electrification Board (REB), at a seminar Friday.

He said the system loss in power sector should not be more than 20.60 per cent under the existing conditions.

The loss, he mentioned, is taking place mainly at three levels - generation, transmission and the distribution.

The loss is acute at the distribution level, which alone accounts for 25 per cent of the total loss.

The system loss in India is 23.60 per cent, in Sri Lanka 16.79 per cent and in Thailand 7.26 per cent.

Rahmatullah in his keynote paper said that the loss includes both technical and non-technical categories and they should be defined separately to chalk out proper ways for checks.

He pointed out that crores of Taka was spent earlier in the name of reducing the losses. But, as the money was spent only to benefit vested interests situation did not im-

## Exchange Rates

(Valid for Dec 22, 23, 24)

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (B/C) and Overseas Drafts (O/D)

One Unit of Foreign Currencies (FC) for Taka	Selling	Buying
FC	38.7126	38.2165
US Dollar	71.8764	71.0577
UK Pound Sterling	25.2117	7.2779
German Deutsche Mark	7.3766	7.2779
French Franc	10.3518	10.2191
Dutch Guilders	22.3767	22.0713
Pakistan Rupee (AMU*)	23.6615	23.3563
Singapore Dollar	23.6615	23.3563
UAE Dirham	10.5763	10.4408
Kuwait Dirham	Not available	
Indian Rupee		
AMU	1.4860	1.4742
S. Kroner	6.8890	6.7983

\*AMU-Asian Monetary Unit  
SECONDARY EXCHANGE MARKET

Wage Earners Fund/ Export Performance Benefit (XPB) Fund	Buying	Selling
US Dollar	38.70	38.75
UK Pound	71.89	71.94
Saudi Riyal	10.35	10.40
UAE Dirham	10.57	10.62

\*The rates of Pound Sterling are decided basing on the cross-rates of New York market

Source: Sonali Bank

## Shipping Intelligence

### Chittagong Port

Name of Vessel	Berthed	ETD	Berth	L. Port	L. Agent
Ronjoy	07/12	20/12	J/1	NA	PSAL
Sea Star	13/12	22/12	J/3	NA	OML
Bona	12/12	22/12	J/6	NA	NA
Amite	12/12	22/12	J/7	NA	NA
Banglar Gourab	10/12	20/12	J/8	Peng	IBS
Iron Thrust	04/12	20/12	MPB/2	Kand	DYNAMIC
Al Dora	06/12	20/12	CCJ	Col	UMAL
Fong Yun	21/12	20/12	RM/5	Singapore	BDSHIP
Boutra	12/11	19/12	TSP	Alger	TSLL
Merita Star	22/12	20/12	DDJ/2	Singapore	UNISEA
Shakir-2	24/10	18/12	RM/6	NA	NA
Banglar Swapna	05/12	20/12	RM/9	NA	IBC

NAME OF VESSELS	ETA	ETD	BERTH NO.
Banglar Shourabh	16/12	NA	RM/6
Atlantic Clipper	16/12	NA	J/9

## Vessels Due At Outer Anchorage

NAME OF VESSELS	ETA	L. PORT CALL	LOCAL AGENT
Hafez	16/12/91	Mong	SSL
Banglar Urmi	17/12/91	Mong	IBC
Knud Jespersen	17/12/91	Singapore	CT
Nga Ranger	17/12/91	Singapore	BDSHIP
Thomasverett	17/12/91	Singapore	EHP
Alantala-t	17/12/91	NA	ROYAL
Lion of Gulf	17/12/91	Cara	SEACOAST
Ping Yin	17/12/91	NA	OWSL
Tug durian	18/12/91	Kand	COAST
Al Rahman	18/12/91	NA	KSL
Continent-1	19/12/91	NA	CLA
Kota Buana	19/12/91	Pen	CTS
Peter Starosting	19/12/91	Singapore	CT
Nikos a	20/12/91	NA	AQUA
prograss	21/12/91	Mongla	EQSL
Rojoy Choomic	21/12/91	NA	TMIL
Qing Jie Cheng	21/12/91	Kand	BDSHIP
Fong shan	22/12/91	NA	BDSHIP
Ramdas	22/12/91	Singapore	SSL
Seabulk Hope	22/12/91	NA	IBA
Samudra Samrat	23/12/91	NA	SSL
Optima	23/12/91	NA	RSL
Kabreverett	23/12/91	CEO	EHP
Fastern Mars	24/12/91	NA	PROG
Anting	24/12/91	NA	TMIL
Robert-E-lee	25/12/91	Kand	ULA
Eastern Pearl	25/12/91	Cal	IBA
Safina-E-Najam	25/12/91	NA	ASL
Sea Glory	25/12/91	NA	ASSL
Al Salam	25/12/91	NA	ISA
Stefan Czarniecki	26/12/91	Mad	IBA
Johnzevrett	27/12/91	NA EHP	EHP
Banglar kakoli	28/12/91	Singapore	F
Ocean Brave	29/12/91	Singapore	F

## Vessel At Outer Anchorage

Name of Vessel	Ready On	L. Port	L. Agent
Easo Bayonne	17/12/91	Singapore	ECSL
Mento	17/12/91	lamp	OWSL
lanchang Jiàng	17/12/91	Hong	BDSHIP
Safar	18/12/91	Hong	ASSL
Piya	20/12/91	Singapore	PSAL
Botany Trinity	06/12/91	Col	JF
Al Ishrat	NA	Mongla	UNISTAR
Banglar Asha	NA	NA	IBC
Banglar Sampad	NA	NA	IBC
Al Reza	NA	Mongla	KSL
Alyn	NA	Singapore	ALAMIN
Red Deer	NA	NA	IBL
Al Tabith	NA	NA	KSL
Ainikolas	NA	Singapore	PSAL

## Mongla Port

Name of Vessel	Berth	ETA	ETD	L. Port	L. Agent
Cenclack	15/12	25/12	22/12	Chittagong	IBC
Safina-E-Najam	05/12	27/12	27/12	Chittagong	ATLAS
Safina-E-Islam	05/12	15/12	15/12	Chittagong	ATLAS
Shapleaverett	22/12	24/12	24/12	Calcutta	IBL
Ronjoy Choomy	27/12	NA	Chittagong	TMIL	
Aunting	25/12	NA	Chittagong	TMIL	
Ocean Voyager	17/12	NA	Chittagong	AGM	
Tac Chong	15/12	NA	Quindao	BRIGHT	

Berthed = Vessel At Port Jetty. ETD = Expected Time of Departure. ETA = Expected Time of Arrival. NA = Not Available. ETB = Expected to Berth.

Source: Aquamarine Limited.

## Dhaka Stock Prices

At the close of trading on Dec 21, 1991

### Market Profile

135 Listed Stocks

4 Gains      9 losers      122 Unchanged

122 unchanged stocks include 2 traded on the day at its previous quoted prices.

DSE All Share Price Index = 293.1899

Market Capitalisation = 8,414,264,077

Turnover = Taka 457193 (Value) 2670 (Volume).

Company	FV/ML Tk	Company	FV/ML Tk
Mutual Jute	100/5 100.00	Northern Jute	10/50 NT
Shamser Jute	100/5 100.00	Spishalpur Jute	10/50 NT
Shine Pakur Jute	100/5 92.00	Sonali Arach	100/5 98.00

### PHARMACEUTICALS & CHEMICALS (15)

Amber Pharma	10.50 13.75
Bangla Process	100/5 59.00
Beximco Pharma	100/5 197.25
Glaxo	10/50 125.00
ICI	10/50 10.00
Kohinoor Chemical	100/5 125.25
Petro Synthetic	10/50 12.50
Pfizer	100/5 116.00
Pharma Aids	100/5 165.00
Pharmaco	100/5 83.00
Progressive Plastic	110/5 40.00
Reckitt & Colman	10/50 240.00
Rahman Chemicals	100/10 48.00
Therapeutics	100/5 50.00
The Ibristina	100/10 92.00

### PAPER & PRINTING (08)

Eagle Box	10/50 35.50
Monospool	100/5 104.50
Paper Converting	100/5 113.00
Paper Processing	100/10 75.00
Padma Printers	10/50 50.00
Sonali Paper	10/50 50.00

### SERVICE (02)

Bangladesh Hotel	10/50 12.00
Bd. Service	10/50 NT

### TEXTILE (16)

Alhaj Textile	10/50 NT
Arbec Textile	100/10 NT
Ashraf Textile	10/50 28.14
Chand Textile	10/50 NT
Chand Spinning	10/50 NT
Deah Gintons	100/10 61.00
Dulania Cotton	100.1025.25
Eagle Star	10/5025.00
GMG Ind. Corp.	10/50 13.00
Modern Dying	100/5 35.00
Quasem Silk	10/50 5.50
Quasem Textile	10/50 8.00
Quasem Silk	100/5 57.00
Saham Textile	100/10 76.00
S.T.M. (ORD)	100/5 50.00
Stylcraft	100/5 100.00
Swan Textile	100/5 60.00
Talbu Spinning	100/10 118.88

### MISCELLANEOUS (14)

Apex Tannery	100/5 202.00
Aramit	10/50 NT
Bata Shoe	10/100 35.00
Beximco	10/100 8.25
BSC	100/5 50.00
Chittagong Cement	100/5 226.16
G. Q. Ball Pen	10/50 50.00
Himadri Ltd.	10/100 6.00
Milon Tannery	100/5 27.00