

Money supply up by Tk 100 crore

External balances record fall

Star Economic Report

The external balance of Bangladesh Bank has gone down considerably in mid-January compared to beginning of the year.

The balance has gone down to Taka 4496.39 crore on January 16 from Taka 4601 crore on December 26. However, the situation is still not as comfortable as it was in the middle of December.

The notes in circulation also recorded an increase during this period. Money supply has gone up by about Taka 100 crore since December 26.

The Asset Side of the Banking Department of Bangladesh Bank shows notes amounting to Taka 41.03 crore, subsidiary coin of Taka three thousand, Government Treasury Bills holdings of Taka 537.35 crore, Loans and Advances to Government amounting to Taka 15.14 crore, Investments of Taka 565.47 crore. Other Loans and Advances of Taka 1029.88 crore and other assets amounting to Taka 1641.44 crore.

On the Liabilities Side, the amount of Deposits stood at Taka 6178.49 crore, allocation

of Special Drawing Rights at Taka 91.74 crore, bills payable at Taka 90.44 crore and other liabilities at Taka 1474.72 crore.

Funds for different sectors remained unchanged during the period. The Reserve Fund amounted to Taka three crore, Rural Credit Fund Taka 164.90 crore, Industrial Credit Fund Taka 51.78 crore, Export Credit Fund Taka 53 crore and Agricultural Credit Stabilisation Fund Taka 175 crore. Paid-up capital was Taka three crore as usual.

The Asset Side of the issue Department showed gold coin and bullion holdings of Taka 83.37 crore, Approved Foreign Exchange holdings of Taka 200 crore, Taka-coin holdings of Taka 13.06 crore, Government Securities of Taka 254.93 crore and Internal Bills of Exchange and other Commercial Paper holdings of Taka 3115.08 crore.

The Liabilities Side showed that the notes issued totalled Taka 3666.46 crore including Taka 60.46 lakh of notes held in the Banking Department.

EPSON computer exhibition Feb 13-14

By Staff Correspondent

Flora Limited, leading computer company of the country, will hold 'EPSON Computer and Office Automation Exhibition-92' at Hotel Sheraton on February 13 and 14, according to a Press release.

Many new computers and printers will be introduced in the exhibition. UNIX operating system and NOVEL Netware Operating System will be the special attractions.



L K Siddiqi, Chairman, Board of Directors of Agrani Bank giving away certificates to participants of the training course on 'Marketing of Bank Services' at the training institute of the bank on Tuesday. General Managers and Director of the institute were present.

US economists rule out recession

WASHINGTON, Feb 11: Despite fresh signs of weakness, the American economy is not dipping back into recession, according to a survey of some of the nation's top forecasters released Monday, reports AP.

But the consensus of the 50 economists in the monthly survey projects that the economy will grow at an annual rate of just 0.5 per cent in the January-March quarter. That's little more than the barely perceptible 0.3 per cent in the final three months of 1991.

Growth is forecast at a 2.2 per cent rate in the second quarter, 3.1 per cent in the third and 3.3 per cent in the fourth. For the year, the analysts suggest the economy will expand by 1.6 per cent.

The economy continues to "teeter-totter" but the consensus suggests a modest recovery by summer," wrote Robert J. Eggert Sr. Editor of the Blue Chip Economic Indicators, the Sedona, Ariz, newsletter that conducts the survey.

Some economists, citing growing unemployment and a stagnant industrial sector, contend the economy dipped back into recession after expanding 1.4 per cent in the second quarter of 1991 and 1.8 per cent in the third.

The economy declined 3.9 per cent in the last three months of 1990 and 2.5 per cent in the first three months of 1991. It was down 0.7 per cent for all of 1991.

In the January survey, the Blue Chip consensus also projected growth for this year to be 1.6 per cent, although the economists believed the economy was growing at a 0.8 per cent rate in the first quarter. The forecast 3.2 per cent growth in 1993.

President Bush's budget assumes the economy will grow 1.5 per cent in 1992 and 3.0 per cent in 1993.

The economy has averaged 6 percent growth in the first year of recovery from earlier post-World War II recessions.

Bush has acknowledged the weakness and has proposed various tax cuts and other incentives to stimulate growth.

In addition to any fiscal stimulus, many observers believe the Federal Reserve must nudge interest rates down fur-

ther to revive the faltering economy.

Fed Chairman Alan Greenspan has said he believes rates have been slashed enough to insure the recovery but added the central bank would ease further if needed as "additional insurance."

The Blue Chip outlook for inflation improved a bit this month, Eggert wrote.

The Consumer Price Index is now expected to post a year-over-year increase of 3.2 per cent in 1992, down a tenth of a percentage point from a month ago," he said.

That's slightly more than the 3.0 per cent in the Bush forecast. The CPI slowed to 3.1 per cent in 1991 from 6.1 per cent a year earlier.

Norway gives Tk 107cr for 4th Population Project

Bangladesh will receive from Norway a grant of Norwegian kroner 200 million (equivalent approximately to Taka 107 crore) for co-financing of the Fourth Population and Health Project, reports BSS.

An agreement to this effect was signed in Dhaka Tuesday between the governments of Bangladesh and the Kingdom of Norway.

Dr A M M Shawkat Ali, Additional Secretary of Economic Relations Division, and Road Wik, resident representative of Norad signed the agreement on behalf of their respective governments.

Tk 8.5 cr Swedish aid for drug management

Bangladesh will receive from Sweden Swedish kroner 14 million (equivalent approximately to Taka 8 crore 50 lakh) as support to the programme for improvement of essential drug management system at PHC level and the 'nutritional blindness prevention programme', reports BSS.

An agreement to this effect was signed in Dhaka Tuesday between the governments of Bangladesh and Sweden.

Dr A M M Shawkat Ali, Additional Secretary of Economic Relations Division and Carl Olof Cederblad, ambassador of Sweden in Bangladesh signed the agreement on behalf of their respective governments.

BSCIC to set up Zamdani Estate

By Staff Correspondent

Bangladesh Small and Cottage Industries Corporation (BSCIC) will set up for the first time in the country a Zamdani Industrial Estate and Research Centre at Tarabo in Narayanganj district for developing Zamdani varieties.

A committee has been formed with AKM Bakhtiar, Regional Director of BSCIC Dhaka division as convener according to a press release. It also includes representatives from Ministries of Industries, Planning, Textile and the BSCIC. The committee will make recommendations on viability and serviceability of the project.

US budget deficit to go up

WASHINGTON, Feb 11: President Bush's new budget drops past claim that the gap between spending and revenues — 399.4 billion dollar in fiscal 1992 — will vanish over time, reports Reuter.

Under the administration's long-term budget outlook, which stretches until 1997, the deficit is never-ending.

Most presidential budgets over five years project either a grossly lower deficit or an out-and-out surplus, said Stan Collender, Federal budget analyst for Price Waterhouse. This is the first one in which it projects the deficit going up again in a few years.

And there's no plan in the budget to do anything about this, he said.

Democrats say Bush plays lip service to fiscal discipline but has given up trying to balance the government's check-book, thus forcing taxpayers to foot ever-larger debt service costs. This year alone the interest payment is 199 billion dollar.

How can a conservative administration that preaches

deficit reduction offer this sort of nonsense? Rep. Byron Dorgan, D-North Dakota, asked Bush's economic advisers as they testified before the House ways and means committee last week.

But Bush's budget Director Richard Darman Countered that Congressional profligacy is also responsible. As long as the reaction to our proposals is that the popular tax items are acceptable but any ways of paying for the spending side are unacceptable, then... the deficit won't go away.

Two years ago, Darman predicted the Federal government would have a balanced budget by 1993. Last year, Darman said the government would be in the black by 1996.

Now Darman says the budget deficit will decline to 180 million dollar in fiscal 1996, then grow to 182 billion dollar in fiscal 1997.

The Congressional Budget Office has a similar forecast.

Another round of spending reductions and tax increases... must come soon if the deficit is to be reduced to

reasonable levels, CBO Director Robert Reischauer said.

What is causing the never ending deficit, apart from Washington's inability to balance its budget since 1969? In the past year the recession depressed tax receipts, and bailouts of failed savings-and-loans also hiked the deficit.

EC partners blame Bonn for pushing up interest rates

BRUSSELS, Feb 11: Germany's European Community partners Monday criticised it for pushing up interest rates throughout the Community because of its heavy borrowing to finance unification, reports AP.

French Economy Minister Pierre Berégovoy led the critics, who charged that Germany should rely more on taxes, and less on credit, to pay the costs of unification, officials said.

German Secretary of State for Finance Hans Koehler retorted that the EC should start worrying more about the prospect of failure in the Uruguay Round of world trade talks and less about monetary policy.

Sources said Berégovoy complained that Germany's tight monetary policy, adopted to counter the inflationary effects of unification, was stunting growth in other EC economies.

Ministers from Denmark, Belgium and the Netherlands also voiced concern about the effect of high German interest rates, but said they recognized they were part of a temporary problem.

But Koehler said all EC members accepted price stability as the guiding principle of monetary policy. He added that Germany's unification had spurred growth throughout the EC by creating demand for imports.

The Finance Minister also scrutinised the Irish economy, in preparation for the Economic and Monetary Union in 1997.

Ireland hopes to pare its public debt to the equivalent of 60 per cent of total economic output by 1997 from 92 per cent this year, Irish Finance Minister Bertie Aherm said.

Ireland's partners welcomed the plan, Aherm said.

BIWTC incurring loss every year since '75

State Minister for Shipping Harun-Al-Rashid Tuesday informed the Jatiya Sangsad that at present Bangladesh Inland Water Transport Corporation

Rly takes steps to cope with excess passengers

By Staff Correspondent

Bangladesh Railway has taken measures to cope with the excess pressure of passengers on trains due to on-going transport strike, says a press release.

Shamim Ahmed, Director General of Bangladesh Railway and Secretary of Railway Division made a surprise visit Tuesday to Kamlapur Station to see for himself the measures taken.

He inspected ticket sale system, rest room facilities and the control room for train movement.

has 332 ships and steamers and in 1975 IWTC had 608 vessels, reports BSS.

In a written reply to a question from Musharrar Hossain (AL-Mymensingh-cum-Netrokona), the State Minister said the corporation incurred a total loss of Taka 46.88 crore from July 1, 1975 to June 30 1991. The year wise break-up given in the reply showed that IWTC incurred losses every year.

In reply to another question from A M Reasat Ali (Jamaat - Satkhira), Harun said during 1989-90 financial year the corporation had earned Taka 43,02,77,374 and spent Taka 46,71,20,380.

The State Minister also informed house that the corporation had incurred a loss of over Taka 5.74 crore during 1990-91 financial year. He said the corporation had earned Taka 46,39,43,075 and spent Taka 52,13,55,458 during the period.

Dollar closes higher in NY

NEW YORK, Feb 11: The dollar closed higher in a technical rebound that retraced Friday's losses, reports Reuter.

"Until we get a clearer picture of the fundamentals, technicals are going to continue to drive the market," said John McCarthy of ABN/AMRO Bank. He said the dollar will probably remain in a 1.55-1.60 mark range for the time being.

Loss of a by-election over the weekend stung Japan's ruling Liberal Democratic Party (LDP) and hurt the yen, traders said.

The dollar closed at 1.5775/85 mark and 126.73/83 yen, up from 1.5665/75 and 125.70/80 at the open.

Speculators nudged the dollar up to an intraday peak of 126.90 yen, close to the level where the Federal Reserve and the Bank of Japan intervened January 17 to stem the rise of the dollar. The central banks sold dollar that day at 127.15.

But the mid-January intervention came a week after President George Bush's visit to Japan when the Japanese trade surplus was being hotly debated. "It's not quite as hot a topic as it was a month ago," said Charles Spence of First Interstate Bank, Los Angeles. "People are wondering if the

central banks will be there about 127."

Spence also saw the dollar in a 1.55-1.60 mark range. He said some traders were looking for a cut in the federal funds rate to 3.75 per cent from 4.0 per cent following Friday's big drop of 91,000 in US non-farm payroll jobs.

But the Fed took no action Friday and again Tuesday signalled it was not casting. The action set says rates are not coming down anytime soon," Spence said.

Many traders believe it is just a matter of time until US rates come down further in order to stimulate the economy, particularly in an election year.

Another trader noted that the drop in non-farm payrolls Friday was not totally out of line with forecasts, since some were calling for a drop of 100,000. He said US producer prices might be a better tip-off to easing. Those numbers are due Friday. In a Reuters survey economists on average forecast no change in prices from December. Excluding food and energy they look for a 0.2 per cent rise.

In other US data, retail sales are due Thursday and the University of Michigan Consumer Confidence Survey on Friday.

Shipping Intelligence

Chittagong Port

Name of Vessels	Berthed	ETD	Berth	L Port No	L Agent
Safina-e-Jamal-2	06/02	15/02	J/5	Kara	ASLL
V No Shish Barge	11/02	14/02	J/7	NA	NA
3 Pankaj	11/02	16/2	J/8	NA	NA
Songrim	11/02	15/02	J/9	NA	NA
Banglar Kallol	26/01	15/02	J/11	Munda	BSC
Fong Shtn	11/02	13/02	J/13	Singapore	BDSHIP
Infinity	09/02	12/02	M/B/1	Singapore	RSL
Kang Dong	18/01	13/02	M/B/2	Singapore	OSA
Endurance Sea	02/02	12/02	CCJ	Aqaba	UMAL
Tabuk	02/02	12/02	TSP	Kand	SEACOAST
Timur Mercury	08/02	11/02	RM/3	Darb	SEACOM
Ronjay	09/02	22/02	RM/4	Col	PSAL
Banglar Kiron	26/01	13/02	DDJ/2	NA	BSC
Sea Rhapsody	29/01	16/02	RM/8	Padra	HIL
Banglar Swapana	05/02	16/02	RM/9	Dead	BSC

Vessels Ready at Outer Anchorage

Name of Vessels	Ready	L Port	L Agent
Mu Du Bong	12/02	NA	PSAL
Banglar Baani	NA	Mong	SSL
Not Ready			
Ronjay Victory	10/02	Sing	PSAL
Euroliberty	15/02	Champ	EOSL
Lok Vivek	12/02	Kand	OWSL

Awaiting For Instruction

Name of Vessels	Ready	L Port	L Agent
Maritz Star		Sing	DELMURE
AL Ishrat		Mong	KSL
Banglar Asha			BSC
Banglar Sampad		Mong	BSC
Banglar Jyoti			BSC
Banglar Shourabh			BSC

Not Entering

Name of Vessels	Ready	L Port	L Agent
Alyn		Sing	ALAMIMIN
Red Deer		Sing	OTL
Ryong Gang	20/02		PSAL
Lion of Gulf	11/02	Mong	ENCL
Sea Destiny	15/02	Padra	AML

Vessels Due at Outer Anchorage

Name of Vessels	ETA	L Port Call	L Agent
Chong Chon Gang	10/02/92	Mad	SSL
Laurel Star	11/02/92	Mong	BML
Ngs Ranger	11/02/92	Sing	BDSHIP
Hati Bak	12/02/92		MRL
Al Tajwar	12/02/92	Mong	KSL
Atlantic Clipper	13/02/92	Sing	BDSHIP
Calyso	13/02/92		PROG
Kota Dharma	13/02/92	Sing	CTS
Petr Starostin	14/02/92	Sing	CT
Tanta	14/02/92	Mad	BSAL
Owardia Ludowa	15/02/92	NA	NISHAT
Optima	15/02/92	Col	RSL
Pearl One	15/02/92	NA	CLA
Hang Loy	16/02/92	NA	H&H
New Zenlord	16/02/92	Sing	BDSHIP
Safina-e-Rahmat	16/02/92		ASLL
Sun Flower	17/02/92	Sing	TSLL
Kamaleverett	20/02/92		ENPL
Fong Yun	18/02/92	Sing	BDSHIP
Al Swamruaz	20/02/92	NA	ASLL
Eastern Ruby	23/02/92		BWA

Note: Berthed= Vessel At Port Jetty. ETD= Expected Time of Departure. ETA= Expected Time of Arrival. NA= Available. ETB= Expected to Berth. Source: Aquamarine Limited.

Dhaka Stock Prices

At the close of trading on Feb 11, 1992

Star Economic Report

Decline continues

Business at Dhaka Stock Exchange (DSE) continued to decline. Tuesday's transaction both in volume and value fell. In the day's business 9,875 papers changed hands against Monday's 14,268. The stocks traded on the day valued Tk 405,353 which was less than previous by 44.672 per cent.

Losers' domination prevailed for second consecutive day. They led the trading table 14 to 11. Four papers were traded with their prices unchanged.

The DSE Composite index fell further by 0.1883 points and stood at 297.1393.

Among 140 listed stocks 11 gained, 14 lost and 04 traded on the day at their previous quoted prices.

DSE All Share Price Index: 297.1393
Market Capitalisation: 8,498,308,398
Turn over (in Value Tk): 405,353
(in Volume): 9,875

THE DAY'S TRADING AT A GLANCE

Company	FV/ML	Previous day's price	Closing price	Change (absolute)	Change (96 over previous price)
Gains (11)					
El Camelia	100/5	1150.00	1250.00	100.00	8.695
Al Baraka Bank	1000/1	1090.00	1100.00	10.00	0.917
Beximco Pharma	100/5	196.00	198.00	2.00	1.020
Monno Ceramic	100/5	148.50	150.00	1.50	1.010
Apex Tannery	100/5	185.00	186.11	1.11	0.6
Umaria Glass	100/5	212.00	213.00	1.00	0.471
Chittagong Cement	100/5	223.00	223.89	0.89	0.399
Therapeutics	100/5	87.50	88.00	0.50	0.571
Oxygen	10/5	42.50	42.75	0.25	0.588
Zaal Bangla Debenure	10/50	11.00	11.10	0.10	0.909
Apex Tannery	1000/1	1000.00	1001.00	1.00	0.100

Company	FV/ML	Previous day's price	Closing price	Change (absolute)	Change (96 over previous price)
Losses (14)					
Islami Bank	1000/1	1840.00	1825.00	15.00	0.815
Monno Paper	100/5	100.00	95.00	5.00	5.000
Eagle Box	10/50	27.00	23.09	3.91	14.481
Islami Jute	100/5	62.00	60.00	2.00	3.225
Eastern Cables	100/5	86.00	84.09	1.91	2.220
Dhaka Vegetable	1				