

Businessmen, economist contest on investment, exchange reserve situations

The economy that was in 91-92

By Inam Ahmed

The foreign exchange reserve of the country stands at over 1.3 billion US dollar, according to Bangladesh Bank sources. This is due to an increase in export earnings and lower imports compared to the last fiscal year. On the other hand the fiscal year 1991-92 witnessed a poor credit disbursement.

Export earnings increased by over 12 per cent in dollar terms during the first 11 months of this fiscal year rendering to the higher accumulation of foreign exchange at the national exchequer.

Contrarily, Letter of Credits (LCs) for import of raw materials and commodities fell by about 2.81 per cent during the first nine months of the current fiscal year compared to the last year.

Despite the increase in export earnings so far, the future prospect for the sector does not look bright, according to analysts.

Export figures show that the country has become dependent on a single item for export earnings - readymade garment. The garment industry earning accounted for 802 million dollar out of the total earning of 1475 million dollar during July-March period.

Statistics further show that out of a total 15 broad groups of exportable items, only readymade garments, handicrafts and other industrial

products could achieve their targets. Official sources said the foreign exchange reserve show a continuing upward trend after the fall of Ershad regime as imports dropped. They said the entrepreneurs followed "wait and see" policy after the political change.

The entrepreneurs' attitude was further hardened by the Finance Minister making public a list of loan defaulters in parliament, according to analysts.

On the other hand, credit to different sectors showed a declining trend over the end of last June. The average percentage changes in credit during the first eight months of fiscal 1991-92 over end of last June was about 3.25 per cent in the negative direction. It was over 10 per cent on the positive side in fiscal 1990-91.

Credit to the private sector showed an average fall of 3.58 per cent during the first eight months of this fiscal year.

The ratio of the Scheduled Banks' credit to deposits stood at 96.30 per cent on the average during fiscal 1990-91. It remained almost the same at 91.49 per cent during the first eight months of fiscal 1991-92.

Official sources said the government also received about 400 million US dollar for

its Enhanced Structural Adjustment Programme (ESAP), which was another reason for the higher foreign exchange reserve.

It is estimated that the foreign exchange reserve of the country should always remain at least equal to the sum of two and a half months' import payment. It comes around 700 million US dollar for Bangladesh.

They view that the accumulation of foreign exchange reserve would only create a macro-economic management problem for the country.

Meanwhile, Professor Abdullah Faruq, former Member of the Planning Commission and the current Chairman of the Bangladesh Shilpa Rin Sangstha (BSRS), contesting the apprehensions of the business community told the Daily Star that lower import was a healthy sign for the economy while exports increased.

"A low import does not mean anything for the economy as Bangladesh is an agricultural economy," he said, adding that huge imports for the industries would not make any difference for the economy.

Prof Faruq said a considerable portion of imports, based on foreign aid, used to be smuggled out of the country which rendered no benefit to the country. On the issue of the lower credit disbursement compared to previous year, he commented that this was also a good sign for the economy. He said the credit disbursement situation shows that there has been a halt to unproductive expenditures of the credit.

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Run-up to the budget

Airport, tourism projects' work reviewed

State Minister for Civil Aviation and Tourism Abdul Mannan reviewed the progress of various development projects and future programmes of different corporations and organisations under the ministry in three separate meetings with the officials concerned at his Secretariat office in Dhaka Tuesday, reports BSS.

Development of different airports, reconstruction of unused airports, construction of airports with short runway communication with tourist spots in the country feasibility study of the introduction of STOL (Short Take Off and Landing) air service to connect Dhaka with different areas by air, construction of tourist spots at historic places and improvement of quality of service for the air passengers were discussed during the meetings.

Abdul Mueyed Chowdhury, Managing Director, Bangladesh Biman Corporation, Air Commodore Azharul Huq, Chairman, Civil Aviation Authority, Bazlur Rahman Chowdhury, Chairman, Bangladesh Parjatan Corporation and senior officials of the corporations concerned and organisations were present at the meetings.

3 banks to keep branches open today for Eid

Some branches of three commercial banks will remain open under special arrangement on June 11 from 4 pm to 6 pm for the convenience of the traders on the eve of Eid-ul-Azha, according to Bangladesh Bank press release, reports BSS.

The branches are: New Market, Elephant Road, Bangabandhu Avenue, Islampur and Chawkbazar branches of Sonali Bank, Tophkhana, Nawabpur, Chawkbazar, Islampur, New Market, Magh Bazar, Kawran Bazar, WASA Bhaban, Elephant Road, Razarbag and Local Office of Janata Bank and New Market, Elephant Road, Bangabandhu Avenue, Islampur and Chawkbazar branches of Agrani Bank.

US Congress team meets Jute Secy

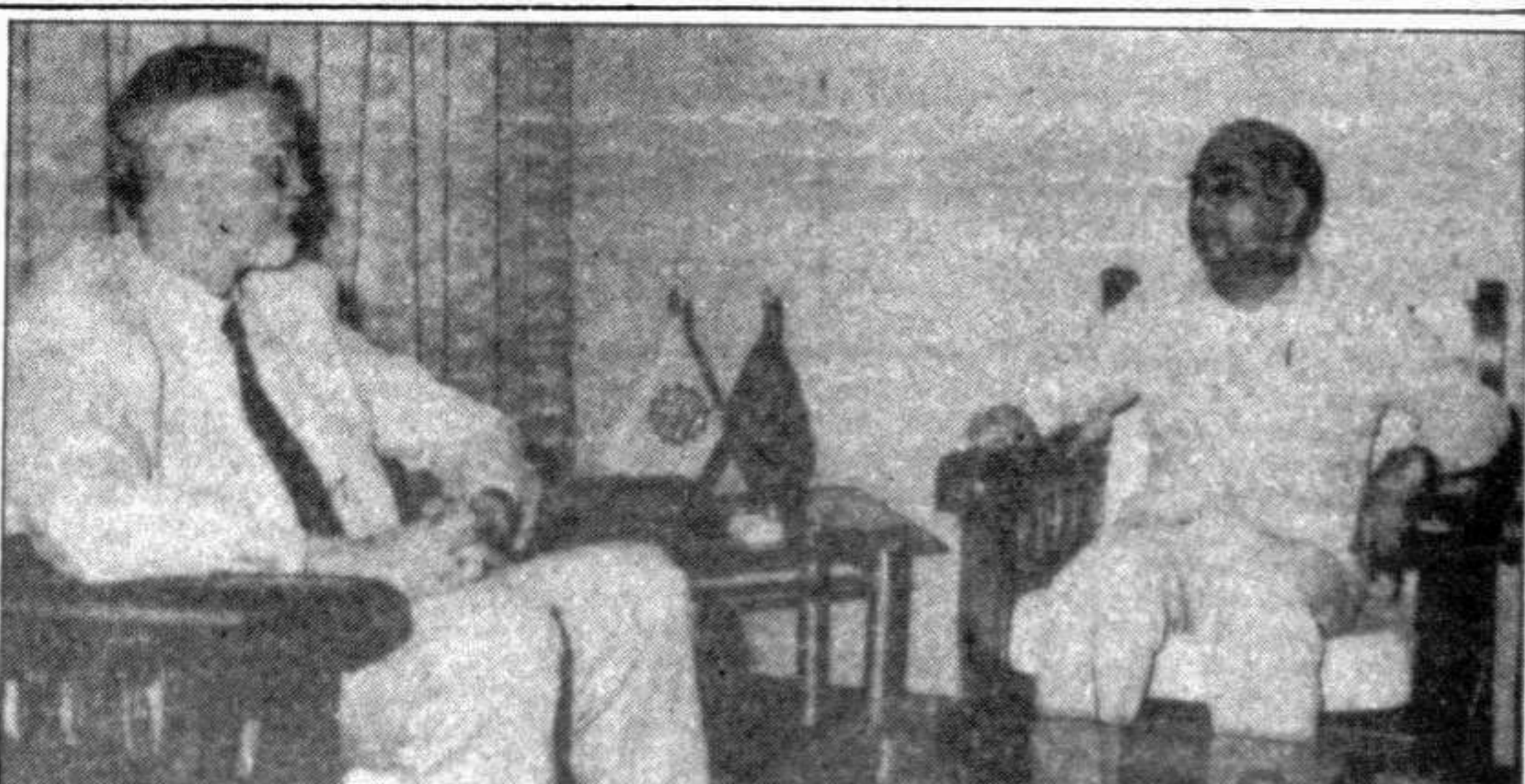
The visiting two-member delegation of the United States Congress House Appropriation Committee led by Robert Reitwiesner called on Jute Secretary M Akhtar Ali at his office in Dhaka Wednesday, reports BSS.

The other member of the delegation is Thomas Baker, Economic Officer of the US Embassy at Dhaka was present on the occasion.

They discussed about overall situation of Bangladesh jute and jute goods. They also discussed matters relating to International Jute Organisation (IJO).

WB, UNDP will build 19 cyclone shelters at Betagi

BARUANA, June 10: The World Bank and the UNDP will jointly construct 19 cyclone shelters in Betagi upazila of Barguna district over the next few years, reports BSS.



Henricus Gajentaan, Ambassador of the Netherlands in Bangladesh called on Mahbubur Rahman, President of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) on 9.6.92 at the FBCCI office in Dhaka. They discussed issues relating to trade liberalisation and financial sector reforms and response of the private sector, as well as promotion of meaningful co-operation between trade bodies of the Netherlands and FBCCI for development of private sector institutions in Bangladesh.

Tea prices fall further

By Staff Correspondent

Average tea prices continued to decline resulting in large withdrawals at this week's auction sale held in Chittagong on Tuesday last.

According to a Unity Brokers market report, a large quantity of better brokers remained unsold due to the absence of the buyer for the Commonwealth of Independent States (CIS) from this sale.

Pakistan lent some support for the fannings while the local traders absorbed the bulk of the offerings. Prices generally declined below last levels and went down by between Taka one and Taka two.

In the Leaf category, a total of 16,075 packages along with 37 packages of old season teas,

were offered at the sale. Internal traders fetched 38 per cent of the offerings, export buyers took only eight per cent while the rest 54 per cent remained unsold.

In the Dust category, a total of 3510 packages, along with 76 packages of old season teas, were offered at the sale. Internal traders accounted for 43 per cent of the sale, the export buyers purchased only four per cent while the remaining 53 per cent was withdrawn.

Following is the category-wise market performance report as prepared by Unity Brokers:

CTC: Bolter well-made brokers met with substantial withdrawals. Others met with

some demand at prices down by Taka one to Taka two compared to the last rates. Plain sorts were heavily discounted.

Best and good fannings were about steady while the balance fell by about Taka two. Few lines of internal popular types realised attractive prices at between Taka 50.50 and Taka 54.

Dust: Lower internal demand led to easier rates at between Taka two and Taka three. Powdery sorts were however firm at the end.

The next tea auction sale (No 8) will be held on June 16 in Chittagong and offerings will comprise about 16,000 packages of Leaf and 3,500 packages of Dust.

Liberal import curbs smuggling, views JS standing committee

The eighth Parliamentary Standing Committee meeting on Commerce Ministry Tuesday recommended a more liberal import policy to protect the interest of local industries and raising export earnings of the country, reports BSS.

The meeting presided over by Commerce Minister M Anwar held discussions on the country's exports and imports and recommended improvements in management for increasing export earnings, development of the textiles industry specially making easy availability of raw materials for

the development of handloom industries, adequate arrangement for bank credits and expansion of the exports of frozen food.

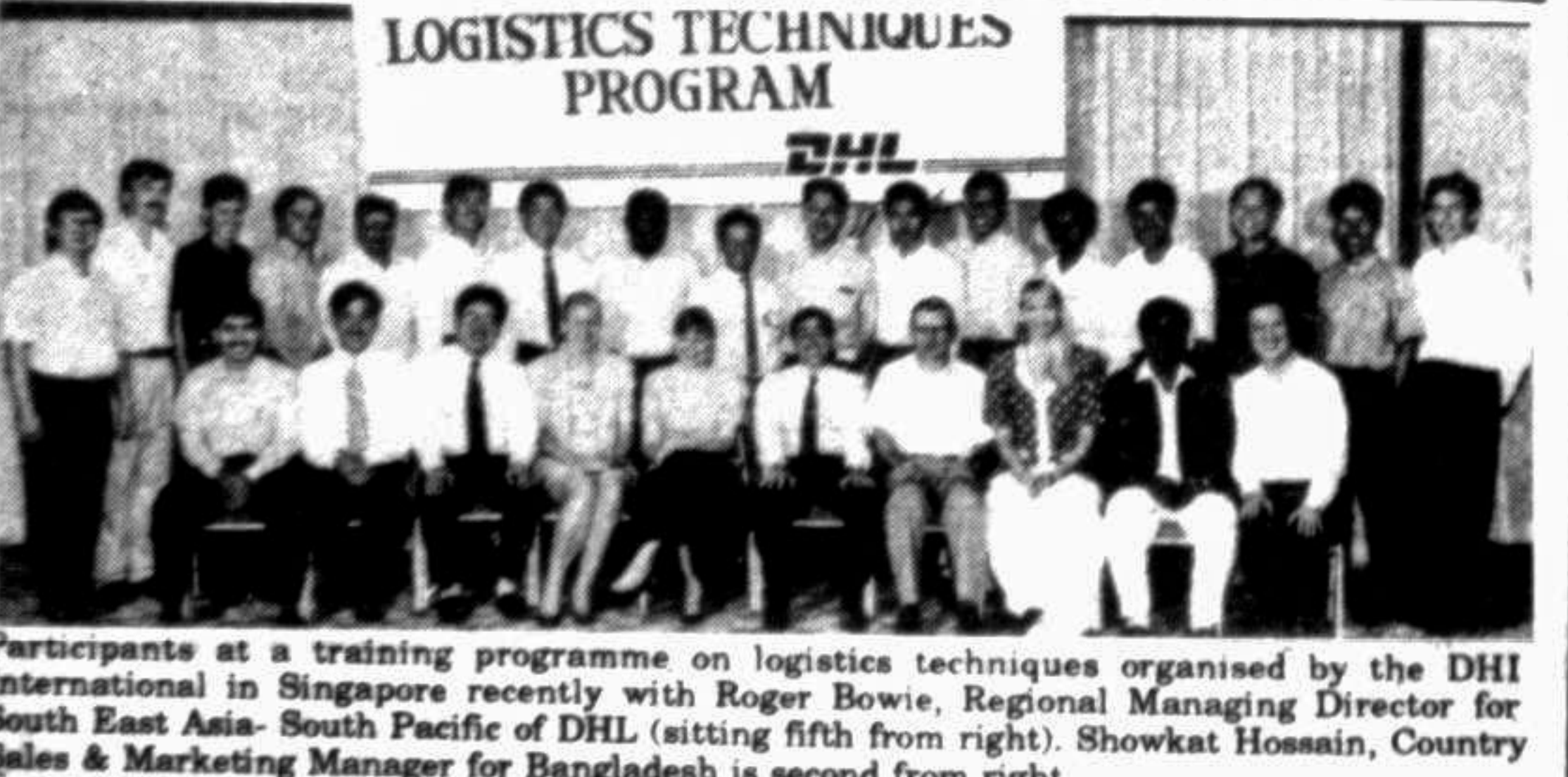
Stressing the need for qualitative improvement of the products of local industries and ensuring the competitive price, the Standing Committee members said propensity of the illegal import of goods increases whenever import of an item is banned.

So it is more effective in protecting the interest of local industries to import legally by paying duties, they added.

They urged the government to take some specific steps to protect the handloom industries and opted that duties and tariffs on raw materials of the handloom industries should be reduced or waived to make it competitive.

Stressing the need for taking effective measures to curb smuggling, they said milk powder import should be discouraged for encouraging local milk production.

Import of passenger vehicles should be encouraged and facilities and services for the exporters should be increased, they said.



Participants at a training programme on logistics techniques organised by the DHI International in Singapore recently with Roger Bowie, Regional Managing Director for South East Asia-South Pacific of DHL (sitting fifth from right). Showkat Hossain, Country Sales & Marketing Manager for Bangladesh is second from right.

Sunotia bridge in Tangail inaugurated

The Sunotia Bridge on Ghatail-Shialkhol road in Tangail district that cost Tk 21,00,000 has been opened for traffic, reports UNB.

State Minister for Relief Lutfur Rahman Khan inaugurated on Tuesday the 100-ft bridge constructed over Sunotia Canal by the Directorate of Relief and Rehabilitation with financial assistance from USAID, according to an official press release issued in Dhaka Wednesday.

With the completion of the bridge, road communication between Ghatail and Bhuapur upazila has become easier.

Addressing a public meeting at Sunotia High School premises on the occasion, the

State Minister said good communication network is a pre-condition for development of the country.

The present government is trying its best, with limited resources, to build a good communication network in the country, Khan said.

He said the BNP government had taken various development programmes to improve condition of the neglected people in rural areas.

He called upon the people to extend their support and cooperation to the government for successful implementation of different programmes aimed at ensuring welfare of commonman.

Shipping Intelligence

Chittagong Port									
Berth Position and Performance of Vessels as on 10.06.92									
Berth No	Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival	Leave			
J/2	Faruke (E/L) (Ebb)	E/L	-	Prog	7/6	10/6			
J/3	Kota Rakayat (Cont)	Cont	Sing	CTS	9/6	13/6			
J/4	Armas	GI	Pena	OWSL	8/6	17/6			
J/5	Fortune Ace	GI	Cal	FEPL	9/6	11/6			
J/6	Kopalnia Rydulowia	M Seeds	Sing	Royal5/6	5/6	16/6			
J/7	New Genford (Cont)	Cont	Sing	BDSHIP	9/6	13/6			
J/8	Al Fesari	Bunker	-	Seacom	5/6	14/6			
J/9	Shaplaeverett	GI	Sing	EBPL	6/6	15/6			
J/10	Sardirjiti	Cement	Tigi	PSAL	30/5	15/6			
J/11	Banglar Asha	Wheat	-	BSC	R/A	15/6			
J/12	Tanary Star	Urea	Mong	PSAL	31/5	15/6			
J/13	NGS Ranger (Cont)	Cont	Sing	BDSHIP	7/6	13/6			
MPB/1	Yamburenko (Cont)	Cont	Sing	CT	8/6	14/6			
MPB/2	Fong Yun (Cont)	Cont	Sing	BDSHIP	5/6	11/6			
CGJ	Safina-c-Najam	C Clink	Col	ASLL	30/5	15/6			
GSJ	Stormy Anne	Wheat	Immi	LTL	4/6	11/6			
TSP	Olga-1	Cement	Sing	USTC	27/5	10/6			
RM/4	Mezhaurechensk	Cement	Sing	PSAL	5/6	16/6			
RM/5	Banglar Shourabh	C Oil	-	BSC	R/A	13/6			
RM/6	Pearl One	Bunker	Yang	Cross	7/6	-			
ID	Banglar Jyoti	Repair	-	BSC	R/A	18/6			
DDJ/1	Endurance Sea	Repair	Agaba	EOSL	25/1	18/6			
RM/8	Ronjay Chomie	Cement	Sing	MSA	27/5	15/6			
RM/9	Banglar Mamata	Repair	-	BSC	R/A	11/6			

Vessels Due at Outer Anchorage

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Chong Chon Gang	10/6	-	RRSA	Urea	-
Nehaj	10/6	-	BFA	Scrapping	-
Ananagel Hope	10/6	-	H&H	Cement	-
Banglar Sampad	10/6	Mong	BSC	Ballast	-
Boris Lavrenyon	10/6	-	PSAL	Cement	-
North Cape	10/6	-	OTL	Scrapping	-
Consensus Wave	11/6	Juba	SSST	R Sulphur	-
Ronjay Victory	11/6	-	PSAL	Urea	-
Optima (Cont) 1/6	12/6	Sing	RSL	Cont	Sing
Sea Glory	12/6	-	Prog	GI	-
Be Bac Bong	12/6	-	PSAL	Cement	-
Andromache (Cont) 1/6/13/6	13/6	Col	RSL	Cont	Sing
Karrington	13/6	-	H&H	Cement	-
George	13/6	-	Bright	-	-
Seyang Acc	14/6	-	Prog	GI	-
Youhao	15/6	-	USTC	Cement	-
Eastern Breeze	15/6	-	RRSA	-	-
Horn	15/6	-	Prog	GI	-
Golden Flash	15/6	Mong	Aqua	-	Dakar
Safina-e-Rehmat	15/6	-	ASLL	GI/GL	Karachi
Banglar Doot	15/6	-	BSC	GI	-
A S Okan	15/6	Turk	BSC	GI	-
Mowlavi	16/6	-	SSL	GL	B Abbas
Abottis Megacarrrier	-	-	-	-	-
Two 23/6	Sing	BDSHIP	Cont	Sing	-
Fong Shin (Cont) 05/6 16/6	Sing	BDSHIP	Cont	Sing	-
Al Salma	16/6	-	ASLL	GI/GL	-
Bennvall	16/6	Mong	SW	Cont	USA EC
Hang Loy	17/6	-	USTC	Cement	-
Amittie	17/6	Mong	Aqua	-	UK Cont
Knud Jespersen (Cont) 2/6 20/6	CT	Cont	Cont	Sing	-
Mchedinti	20/6	-	BSL	GI	-
Yarnis-II	21/6	-	PSAL	GI	-
Banglar Kallol	28/6	-	BSC	GI	-

Tanker Due

Bunga Selasih 20/6 Seacom CDSO

Vessels At Kutubdia

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
T T Energy	C Oil	Col	NNL	27/4

Vessels Not Ready

Banglar Baani	Wheat	-	BSC	R/A(18/9)
Sea Destiny	Cement	Pada	AML	8/6
Lito	Wheat	Naant	JF	9/6
CGM Bretagne (Cont)	Cont	Sing	BDSHIP	9/6

Vessels not Entering

Alyn	Cement	Sing	Alamin	R/A(18/9)
Red Deer	-	Sing	OTL	R/A (26/11)
Mild Win	Scrapping	Bank	Umal	16/5
Bafin Bay	Scrapping	Kawa	OTL	21/5
Maullin	Scrapping	Sing	UMAL	26/5
Imperial	Scrapping	Sing	OTL	6/6
Armonia	Scrapping	Sing	OMA	6/6
E T Ocean-VI	-	Sing	Coast	26/5

Exchange Rates

The following are the Commercial Bank's BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on June 11, 12, 13 and 14.

Currency	SELLING B.C.	(Figures in Taka)	BUYING T.T. (C)	O.D. TRANS. FER
US Dollar	39.1326	38.9087	38.6339	70.9311
Poundsterling	71.7472	71.4008	70.9311	-
DM	24.5885	24.4325	24.2599	-
FF	7.3049	7.2591	7.2078	-
S Riyal	10.4641	10.4042	10.3307	-
D Guilders	21.8337	21.6957	21.5435	-
S Kroner	6.8116	6.7667	6.7189	-
Singapore Dollar	24.0594	23.9217	23.7528	-
UAE Dirham	10.6911	10.6299	10.5548	-
K				