Dhaka likely to get \$400m Saudi grant for railway

Communications Minister Oli Ahmed said today Bangladesh is likely to get a positive response from Saudi Arabia towards its pledge for a 400

Talking to the newsmen at visit, the minster said the grant was sought for the procurement of 12 new railway engines, 24 air-conditioned coaches, 60 second class

Ahmed said the proposal was placed at a high level meeting attended by Minister for Communications, Sheikh Hussein Mansouri, and Minister for Post, Telephone and Telegraph Allawi Darwish Kayyal. The Deputy Minister for Planning and the Head of the Saudi Development Fund also attended.

Plans placed for

relevant authorities to place the Bangladesh proposals in the next board meeting of the Saudi Development Fund for consideration.

also placed some other proposals seeking Saudi assistances for the construction of three bridges and one road in Bangladesh. The bridges are -Buriganga Second, Dhaleswari One and Two and Karnaphuli Second and the road project is Cox's Bazar-Teknaf Road known as marine drive. He said that the government want to name the proposed 100kilometre drive as the "custodian of the two holy mosque marine drive."

The minister said that these four projects are among the 21 ambitious projects taken for the development of road links and expansion of railway tracks for which coopcration and assistances had been sought from various friendly countries including Japan and China.

The minster referred to the construction of double lines in Dhaka- Chittagong rail route which is considered as "life line" of the country's entire railway system. In this connec-

tion, he said with the improvement of Dhaka-Chitta gong Road communications, many private parties introduced courier services which operate in quickest time. Unless the railway services could be improved, the railway would be deprived from a major portion of its income, he

The minister said, if the double line in this route could be installed, it would not only improve the railway services but also help carn an additional profit of Taka 50 to 60 crore

While in Saudi Arabia the minister held a press conference which was widely covcred by all Saudi, print and electronic media. The important national dailies also published prominently the various activities of the minister there.

The minister also performed the Holy Omrah and he was shown various development activities of the Holy

Later Amin a Attas, Assistant Secretary of Rabeta Al-Islam presented a "gilaf of

Progress of Govt to provide fund in ILO projects games for development discussed Dr Iftikhar Ahmed, a senior official of the Employment and of human resource Strategies Branch, Internati-

Finance Minister M Saifur Rahman said on Friday more investment would be made in games and sports as a part of human resource development programme undertaken by the government, reports BSS.

The Finance Minister was addressing as the chief guest a reception organised in honour of the participating team members of the 7th President Gold Cup International Football Tournament '93 at a city hotel.

State Minister for Youth and Sports Sadek Hossain, president of Bangladesh Football Federation (BFF) Siddiqur Rahman, Chairman of the Tournament Committee A H M Molazzal Karim, chairman of the reception committee Abdul Moyeed Chowdhury, secretary general of the BFF Sheikh Akmal Hossain and Manager of the Russian team spoke on the

Commerce Minister M K Anwar, Home Minister Abdul Matin Chowdhury, members of parliament, members of the diplomatic missions, members of the tournament organising committee and participating teams attended the reception followed by dinar and a cultural

Saifur Rahman said, the government was determined to strengthen the institution of games and sports, so that such tournament would be organised more smoothly and efficiently. He thanked all the participating teams, organisers, and patrons for making the tournament a success.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 16.01.93. Name of Vessels Corto I Dort Local Date of Leasters

Berth No	Name of Vessel	s Cargo	L Port Call	Local Agent	Pate of Arrival	Leaving
J/1	Norman Prince	Wheat (G)		BSL	R/A	24/01
1/2	Mezhgoire	GI	Sungh	i Prog	15/01	22/01
1/3	Amer Jyoti	Cement	Jaka I	Paragon	03/01	18/01
1/4	Trans America	Sugar/GI	BKK	BOAL	08/01	17/01
J/5	Al Tajwar	Cement	Jaka	PSAL	02/01	3.34
1/6	Hang Wan	/ GI	Sing	Prog	11/01	19/01
3/7	Banglar Sampad	GI	Kara	BSC	08/01	19/01
1/8	Petr Starostin	Cont	Sing	CT	13/01	16/01
1/9	Beeco Europe	Urea	Safa	UMAL	R/A	18/01
J/10	Endurance Sea	Repair	Aqaba	EOSL	25/01	25/01
J/11	Janbaz-II	Urea	Cal	RRSA	20/12	19/01
J/12	Paraskevi M-Y	Wheat (G)	58	BSL	R/A	17/01
J/13	Solbulk	Wheat (P)	P Lane	d Seacom	30/12	22/01
MPB/1	NGS Express	Cont	Sing	BDShip	15/01	15/01
MPB/2	Ingenuity	Cont	Sing	RSL	13/01	16/01
CCJ	S E Haider	Cement	Kara	ASLL	R/A	18/01
GSJ	lro .	Wheat (G)	Ghent	Ancient	10/01	17/04
TSP	Vinta	R Phos	Jedha	SSST	04/01	19/01
RM/4	Vidnoe	Mola	Cal	CT	11/01	19/01
DOJ -	Banglar Shourab	hC Oil/Repa	air -	BSC	R/A	18/01
CUFJ	Fareast	Urea		USTC	R/A	19/01

VESSELS DUE AT OUTER ANCHORAGE

Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port
Marine Gloria	16/01	Pasca	Lams		· 1
Banglar Maya	16/01	*	BC	Repair	12
Arktis Pacific	17/01	SE 90	BSL	Wood Pulp	
I Yamburenko 9/1	20/01	Sing	CT	Cont	Sing
Karabieverett	18/01	Sing	LBIT	GL	I St
NGS Ranger 15/1	18/01	Mong	BDShip	Com	Sing
Mowlavi	18/01	Mone	951	(4)(4	Vitra
Shepton 9/1	18/01	Sing	Omni	Cont	Sing
Robert e-Lec	19/01	1850	Kelled	Gi	100
Legra	19,'01	FT	ILUB	K11	
Tiger Force 9/1	20/01	Lui	RSI	1	Cul
State of Orissa	20/01		SSL		.Ant
Banglar Shobha	20/01		1390	GI	55
Fong Shin 13/1	21/01	Sing	BDShip	Cont	Sing
State of Tripura	22/01	. /	SSL	GI	
Optima 13/01	23/01	Sing	RSL	Cont	Sing
Hang Loy	24/01	1000	H&H	Cement	10.7
Massy Phoenix	26/01	Japa	OWSL	Wheat (P)	E. 12

TANKER DUE

17/01 P Alma

Botany Triad

Banglar Asha

Banglar Kiron

Tallow

VESSELS AT KUTUBDIA					
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	
A - d	COIL	Past	DSLL.	5/1	

C Oil Banglar Jyoti VESSELS AT OUTER ANCHORAGE

READY ON

Kota Buana (Cont)	Cont	Sing	CIS	10/1
	VESSELS	NOT R	EADY	
Arhon	TSP (G)	Sing	H&SL	24/12
Banglar Robi	Wheat (G)	(90)	BSC	R/A (9/1) 13/1
Shota	Veg Oil	Reug	Seacom	
Gut Jiang	Cement	1071) 1071)	ATSL	R/A (15/1)
Stamariner	Wheat (G)	Sing	SSST	15/1
Stern	TSP (P)	Col	UMAL	16/1
Arti	GTSP	Indo	H&SL	16/1

VESSELS AWAITING INSTRUCTION

Artemis-1	Cement		Bright	R/A (2/11)
V	ESSELS N	OT ENT	ERING	
Al Fesant	5		RRSA	R/A (31/12)
Meringa	Scraping	Viza	UMAL	1/1
American Trader	Wheat (G)	Sing	BSL	6/1
Ocean Voyager	Cement	Pada	AML	12/01
Delight Glory	Cement	Sing	Bright	13/01
Trans Asia	Bunker	Mong	BOAL	15/01

MOVEMENT OF VESSELS FOR 17/01/93

OUTGOING		INCOMING		SHIFTING
Trans America Praskevi M-Y Iro	GSJ DDJ/2 J/4 RM/3	Banglar Robi Banglar Maya Gui Jiang Shota	31622	Al Tajwar to RM/6 Banglar Europe to J/12

The above were the Saturday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group Dhaka

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 January 17, 18 and 19. (Floures in Taka)

		trigures in Tar	cau
Currency	Selling B. C.	T. T. (C)	Buying OD Transfers
US Dollar	39.1326	38.9087	38.6339
Poundsterling	59.8955	59.5795	59.1807
DM	23.9343	23.7828	23.6148
FE	7.0809	7.0340	6.9843
S Riyal	10.4641	10.4042	10.3307
D Gutlders	21.2909	21.1575	21.0081
S Kroner	5.3533	5.3154	5.2778
Singapore Dollar	23.6051	23.4701	23.3043
UAE Dirham	10.6911	10.6299	10.5548
Kuwait Dinar	129.2785	128.5388	127.6310
Indian Rupee (AMU)	1.4925	1.4858	1.4783
Pak Rupee (AMU)	1.5060	1.4992	1.4917

Authorised dealers will apply T T clean buying rate for purchase of remittances of Bangladeshis working abroad. Note: AMU-Asian Monetary Union.

Dhaka Stock Prices

At the close of trading on January 16, 1993

Transaction falls

Transactions on the floor of Dhaka Stock Exchange (DSE) showed a declining, trend on Saturday. Volume fell to 5976 from 17600, a decrease of 66.045 per cent while value dropped from Taka 18967708.00 to Taka 350376.50, showing a fall of 98 per cent.

and one debenture gained, 11 shares lost while 14 others were traded at previous rates.

A total of 36 shares were traded on the day. Ten shares

The DSE index gained slightly. It reached 367,8557 from 367.1679, an increase of 0.688 points.

DAY'S TRADING AT A GLANCE

DSE Share Price Index				DIADNA AN ESTABA	367.8557
Market Capitalisati				10:51	5.146.721
Turnover in Volum					5976
Turnover in Value	(Tk)				350376.50
Company	Previous price Tk	Closing price Tk	Change (absolute) Tk	(% over	Number of shares/ debentures
	1.	1 1 1		sold	15.431
Gains (11) Shares:			II Fl. 100).	
Beximeo Infusion	210.00	223.30	13.300	6.333	
Tamijuddin Textile	e 154.00	162.50	8.500	5.519	,40
Pharmaco '	44.00	45.00	1.000	2.273	25
Chittagong Cemen	t 234.45	237.87	3.420	1.459	115
Savar Refractories	92.00	93.00	1.000	1.087	155
Tallu Spinning	99.00	100.00	1.000	1.010	200
B Autocars	50.00	50.50	0.500	1.000	20
Bengal Food	131.12	132.00	0.880	0.671	5
Paper Processing	35.00	35.19	0.190	0.543	200
Singer Bangladesh Debenture	805.00	808.00	3.000	0.373	10
Beximeo Infusion	1475.00	1480.00	5.000	0.339	8
Losses (11) Shares:		W.			11
Islam Jute	60.00	55.00	5.000	8.000	18
Rupen Oil	4.50	4.15	0.350	7.778	3 1300
Kohinoor Chemica	al 67.82	65.00	2.820	4.156	8 5
Therapeutics	75.00	72.00	3.000	4.00) 185
		500 E	100000		

Traded at previous rates (14)

73.00

86.00

97.00

17.00

39.36

National Bank

Wata Chemical

Karim Pipe

Bata Shoe

Aftab Automobiles

Bangladesh Lamps

Bengal Carbide

Eastern Cables

Howlader PVC

Bengal Steel

Karim Pipe

Metalex Corp.

Monno Jutex

Monno Stafflers

National Tubes

Quasem Drycells

FOOD & ALLIED (23)

Remwick Jagneswar 100/5

Singer Bangladesh 100/5 808.00

Panther Steel

A.B Biscuit

Apex Food

Aroma Tea

Alpha Tobacco

Aman Sea Food

B.D. Plantation

Ctg. Vegetable

E.L. Camellia

Frogleg Export

Hill Plantation

Rabeya Flour

Rupan Oil

Tulip Dairy

ousuf Flour

Northern Jute

Zeal Bangla Sugar

Dhaka Vegetables

Gemini Sea Food

Modern Industries

Bengal Food

BL.T.C.

B.T.C.

N.T.C

R/A (20/12)

BSC

R/A (15/1)

Bangladesh Autocars 100/5 50.50

B. Thai Aluminium 100/10 79.00

Atlas Bangladesh

Aziz Pipes

Shaiham Textile

Renwick Jajneswar

Eagle Star Textile

Shares: Uttara Bank (15), 6th ICB M Fund (200), Eastern Cables (100), Howlader PVC (150), Zeal Bangla Sugar (1200), B Oxygen (150), Rahim Textile (385), Padma Textile (220), Ibnesina (10), Rahman Chemicals (10), GQ Ball Pen (300), Usmania Glass (45), Modern Industries (5), BGIC (50).

104.50

72.00

85.00

16.85

39.10

1.415

1.370

1.163

1.031

0.661

1.500

1.000

1.000

1.000

0.150

0.260

DSE SHARES AND DEBENTURES

Company	FV/M	/LTk	Shamser Jute Speialised Jute	100/5	100.00 N T
BANKS (10)		30 86	Shine Pukur Jule Sonali Aansh	100/5	110.00
Al Baraka Bank	1000/1	890.00	Sonan Aansn	100/3	105.00
A.B. Bank	100/5	185.00	TEXTILE (20)		
City Bank	100/5	270.00	Alhaj Textile	10/50	NT
I.F.I.C	100/5	170.00	Arbee Textile	100/10	112.00
Islami Bank	1000/1	1700.00	Ashraf Textile	10/50	32.00
National Bank	100/5	99.05	Chand Textile	10/50	NT
Pubali Bank	100/5	100.00	Chand Spining	10/50	NT
Rupali Bank	100/10		Desh Garments	100/10	50.00
U.C.B.L	100/5	122.00	Dulamia Cotton	100/10	78.13
Uttara Bank	100/5	100.00	Eagle Star Textile	10/50	16.85
INVESTMENT (08	0		GMG Ind. Corp.	10/50	10.00
I.C.B	100/5	80.00	Modern Dying	100/5	32.00
1st ICB M.Fund	100/5		Padma Textile	100/20	175.00
2nd ICB Fund	100/5	160.00			4.50
3rd ICB M. Fund	100/5	147.03	Quasem Silk	10/100	
4th ICB M. Fund	100/10	148.00	Quasem Textile	10/50	5.50
5th ICB M. Fund	100/10		Rahim Textile	100/5	
6th ICB M. Fund	100/10	64.00	Saiham Textiles	100/10	72.00
ICB Unit Cert.			S.T.M. (ORD)	100/5	40.00
Sales Price		115.00	Stylecraft	100/5	130.00
Re-purchase		110.00	Swan Textile	100/5	20.00
INSURANCE (04)			Tallu Spinning	100/10	100.00
BGIC	100/10	151.00	Tamijuddin	100/10	162.50
Green Delta	100/10	152.25	PARA PRA 4 CONTROL		-
Peoples	100/10	172.00	PHARMACEUTICA	ILS &	
United	100/10	172.00	CHEMICALS (18)		5255 MAN
-	10)		Ambee Pharma	10/50	11.80
ENGINEERING (19)		Bangla Process	100/5	60.00

100/5 183.00

10/50 45.00

100/5 212.00

100/5 175.00

100/5 265.00

100/10 100.00

100/5 47.00

100/5 155.00

100/5 255.00

100/5 200.00

100/5 685.00

100/5 160.00

100/5 500.00

100/5 132.00

100/5 500.00

100/5 80.00

100/51040.00

100/5 100.00

100/5 550.00

100/5 185.00

4.15

8.60

NT

NT

10/50

100/5

100/5

100/10

10/50

10/50

10/50

10/50

100/10

10/50

10/100

10/50

10/50

20.00

74.00

9.60

20.00

100/10 205.00 Beximco Infusion 100/00 223.30 100/5 425.00 Beximeo Pharma 10/50 125.00 10/50 10.00 100/10 N Polymer 100/5 65.00 Kohinoor Chemical 10/50 11.10 Petro Synthetic 100/5 450.00 100/5 160.00 Pharma Aids 100/5 45.00 Progressive Plastic 100/5 54.80 10/50 110.00 Reckitt & Colman Rahman Chemicals 100/10 35.00 100/5 72.00 Therapeutics 100/10 101.00 The Ibnsina

100/20 104.50 Wata Chemical

PER & PRINTIN	G (06)	
gle Box	10/50	14.00
nospool Paper	100/5	56.00
per Converting	100/5	110.00
per Processing	100/10	35.19
dma Printers	10/50	50,00
nali Paper	10/50	51.67
RVICE (02)		
ngladesh Hotel	10/50	12.00

d. Service	
ESCELLANDOUS	(27
pex Tannery	
ramit	
ata Shoe	1
eximoo	1

Shoe	10/100	39.10
mco	10/100	18.00
•	100/5	50.00
tagong Cement	100/5	237.87
. Ball Pen	10/50	84.00
Speed	100/5	80.00
adri Ltd.	10/100	6.00
n Tannery	100/5	13.00
no Ceramic	100/5	325.00
Dhaka Refac	100/20	95.00
onix Leather	100/5	90.00
ar Refractories	100/5	93.00
Engineers		100.00
pick Ind		100.00

100/5 265.00 1995.00

100/5 Jute Spinner Mutual Jute 10/50

BD Oxygen Eastern Lubricant National Oxygen Padma Off Co. JUTE (12) Ahad Jute Anowara Jute Delta Jute Gawsta Jute Islam Jute

FUEL & POWER (04) 10/50 10/50 14.00 100/10 98.00 10/50 48.00 100/10 10/50 10/50

10/50 100/5

Jamania Glass DEBENTURES (04) Beximeo 17% 1998

Beximeo Infusion 1500/2 1480.00 Beximco Pharma 1428/1 1150.00 1500/1 1415.00 Quasem Silk (17% 1994)

million US dollar grant for expansion and rehabilitation of the railway system, reports the airport on his return from Saudi Arabia this morning on the conclusion of his five-day

coaches and 50,000 sleepers.

Saudi assistance

Expressing his optimism for a positive response from Saudi government, Ahmed said the ministers instructed the

The minister said that he

annually.

Hold press confee

the Holy Kaba" to Oli Ahmed.

Foundation Training of City Bank commences

onal Labour Organisation (ILO)

Headquarters, Geneva, called

on Sarwari Rahman, Minister

of State for Social Welfare and

Women's Affairs at her secre-

tariat office Saturday, said a

Werner K Blenk, Director,

ILO Area Office, Dhaka was also

Dr Ahmed discussed mat-

ters of mutual interest with

the Minister of State and ap-

prised her about the progress

and status of the ILO executed

project entitled "Technologies

for Rural Employment with

Special Reference to Women,"

which is being implemented

by the Women's Affairs Depart-

ment, Ministry of Women's

Affairs, Government of the Pe-

He also explained the inter-

ests and concerns of the ILO

within the context of women's

issues with particular empha-

sis on the integration of "mai-

nstreaming" women in national

development efforts and the

role of the above project with

respect to the dissemination of

appropriate improved techno-

logies, for increasing the pro-

ductivity and income earning

opportunities of rural poor

women, in non-traditional

ople's Republic of Bangladesh.

present on the occasion.

press release.

The 13th Foundation Training Course of The City Bank Limited commenced from Saturday at its training institute in Dhaka. Ali Hossain, Vice Chairman of The City Bank Limited inaugurated the training course as chief guest, says a press release.

In his inaugural speech, Hossain emphasised the need of training and advised the employees to make themselves prepared through proper training.

Also present at the function were Azizul Haque Chowdhury, AK Mehmood, ZH Chowdhury and M A Hannan, directors of the bank.

Japan raises fine rate for illegal price

TOKYO, Jan 16: Spurred by US pressure, Tokyo on Friday against industry price-fixing twentyfold to 100 million yen

has been a major focus of the Bush Administration's structural trade talks aimed at opening Japanese markets to

mon in consensus-oriented Japan.

of trade laws in the offing A commission for review (UNCITRAL) has sponsored the three-day seminar, organand reforms of certain laws of ised by Export Promotion

the land, including those pertaining to trade, is in the offing, reports UNB. State Minister for Law, Justice and Parliamentary Affairs Barrister Aminul Hug

said today the proposed Law

Commission is part of govern-

training institute.

ment move to update and upgrade country's legal system. He was speaking at a seminar on International Trade Law arranged to apprise people associated with trade of the recent developments in interna-

tional trade laws. United Nations Commission on International Trade Law Bureau (EPB) and Bangladesh Institute of Law and Interna tional Affairs (BILIA). Some 60 business executives representing public and private organisations are participating in the

The 13th Foundation Training Course of The City Bank Limited commenced Saturday at its

Commission for review, reforms

seminar. Inaugurating the seminar in the conference room of the Metropolitan Chamber of Commerce and Industry this morning, Commerce Minister MK Anwar said with deregulation of the economy, the government intended to shift the responsibility of some regula-

tory functions to trade bodies.

He suggested that the private sector should be efficient enough to shoulder the responsibility.

The laws of the country require changes in keeping with international laws. Dr Kamal Hossain, former

Chairman of BILIA, and its current Chairman Barrister Syed Ishtiaq Ahmed, UNICITRAL Secretary Gerold Herrmann, Commerce Secretary Nazem Ahmed Chowdhury and EPB Vice-Chairman SMA Gazi were other speakers at the inaugural

Dr Kamal, a jurist of inter national repute, strongly stood for updating and upgrading

country's laws.

fixation

raised the maximum fine (800,000 dollar), reports AP. Strengthening antimonopoly enforcement here

foreign products. Bid-rigging and other exclusionary practices are com-

Commentary

Excess aid may frustrate development efforts in coming days

Abu Ahmed

Guest Columnist

Though seldom any one faults the flow of foreign capital to an economy as such, but many fault the flow of foreign aid to it because later creates burden on the future generation and may impoverish the economy in the process of getting repaid. Foreign capital when flows through private sector is supposed to come for commercial purpose and the risk lies with the owners of capital. Normally it does not leave any burden

for the economy where it flows in. ft is not the same when foreign aid cames through public sector. The risk in this case is to be borne by the guarantor which normally is the government of a recipient country. The whole aid including pre-fixed interest amount is to be paid back by the guarantor, whether it is fruitfully used or not. Thus the risk of foreign aid in such a case lies with the nation, while the risk of foreign capital outside the govt-guaran-

teed framework lies with the suppliers. That is why direct private foreign investment is now preferred in many LDCs to the govt-guaranteed foreign aid Foreign aid through govt, though seems to be less costly in terms of interest charge and payment conditions, is grossly misused mostly because of govt's involvement in the process

of receipt and use. Bangladesh is one of the glaring examples of where govtguaranteed foreign aid was misused. When aid burden soared up here some donor countries wrote off a portion of aid money. For the rest the country will soon to be strangulated to pay back. About 26 billion dollar aid money was received by the country since its independence - an average of 1.23 billion dollar per year. The bulk of this aid, thanks to the fortune of this country, is soft loan -bearing much less than market rate of interest. In spite of this, the aid burden is colossal as a percentage of annual GDP and its export carning.

Bangladesh now is to pay annually about 400 million dollar toward its external debt servicing which is 20 per cent of our total export earning. This figure will go up in the coming days as the debt will mature and the nation may find the debt-servicing difficult unless it pays in natural resource.

In recent years, the donor countries are putting more stringent conditions on the actual disbursement of committed aid, emphasising macro-economic structural reforms. The conditionalities, though seem to hurt Bangladesh economy at the moment, are needed for long-term benefits, because we are using whatever foreign aid we can putout our hands on, if it happens to be on easy terms. There is now a big gap between pledged aid and the actual

disbursement. The stuck-up money in the pipe line will be rescheduled in the next year's consortium meet. The main conduit to channelling the aid money to our

economy is the DFIs like BSB, and BSRS. The private industrialists pledged their over-valued land and house as collateral securities while taking the foreign aid money from the DFLs, and govt stood as guarantor between them and the donor countries. Aid receiving part thus was the affair of the govt, and use part was that of domestic entrepreneurs. The latter in most cases did not pay back the aid money to the DFLs, but govt had to stand by its commitment. The nation is now overburdened with debt due to the unscrupulous acts of some individuals.

The whole modus operandi of aid utilisation was faulty right from the beginning. The govt should abandon its role as a guarantor in foreign aid receipt. The aid flow should be allowed to operate through a competitive market mechanism where actual users will take risk of aid money. If this can be done aid will not remain aid in the traditional sense. It will become net foreign capital inflow. And that is exactly what we need right now. The strength of the economy will determine the amount of foreign capital it can attract and absorb

Foreign aid through govt may undermine our economy in several ways. It should be received on selective basis only, to fill up temporary gaps in our budget, but not to fill up the bulk of our perpetual budget deficit. We now import almost double the amount we export. If we go on shopping foreign aid the way we did in the past, we will have a real hard time ahead. It will soon become impossible to meet the foreign demand on our economy

What other alternative will then be left for us excepting devaluing our currency again and trying to export more? Even that will not save us. Devaluation will fuel inflation domestically and people will further keep away from investments. There will be a tendency for outflow of capital in many forms, investors will feel insecure to hold assets, as they will fear increasing tax to come on them in future for debt servicing purpose: In order to safeguard themselves from a state of capital

outflow, many LDCs impose strict foreign exchange restrictions, but that do not help them either. Foreign exchange can be taken away from an economy in many covert ways - overinvoicing and under-invoicing are two of the examples. When every other way to repay foreign debt fails, a govt is to undertake to pay the debt by deflating national resources like gas, oil etc - which are largely non-replenishable. An economy thus becomes impoverished in every way from an excess of foreign debt burden. Fortunately for Bangladesh, the situation is not yet beyond

bearing. So the govi should stop right now from pursuing the present policy regarding foreign aid and start acting sensibly.