

Mubarak happy to beat off WB demand to boost market economy

CAIRO, July 20: Muslim militant violence is the most obvious threat to the government of Egypt, the pillar of Western policy in the Middle East, but it may not be the most dangerous, reports Reuters.

That means five years before Egypt's mass of slum dwellers and peasants feel any richer. Meanwhile, frustration at the impossibility of peaceful political change is boiling among everyone from the violent militants to secular liberals. By far the best organised and most widely supported opposition group are the fundamentalists, a powerful force in Egyptian society for 60 years.

"My own view is that the real challenge for Mubarak over the next five to 10 years is going to be coping with the challenge from mainstream fundamentalists and the challenge posed by the country's economic problems."



Hosni Mubarak

Algerian dockworkers on strike for higher wages

ALGIERS, July 20: Dockworkers demanding higher wages announced a strike beginning Tuesday as the military-backed government struggled with 25 per cent inflation and fundamentalist violence, reports AP.

Dhaka Stock Prices

At the close of trading on July 20, 1993

Bearish trend

Losers dominated the floor of Dhaka Stock Exchange on Tuesday. A total of 36 stocks traded against Sunday's 25. Of these seven gained, sixteen lost and thirteen others traded at previous rates.

DAY'S TRADING AT A GLANCE

Table with 4 columns: DSE Share Price Index, Market Capitalisation (Tk), Turnover in Volume, Turnover in Value (Tk). Includes sub-tables for Gains (07) and Losses (16).

Anniversary of ABBL Officers' Wives Assoc celebrated

The Arab Bangladesh Bank Limited (ABBL) Officers' Wives Association celebrated its first anniversary through a colourful cultural function on July 15 in the Conference Hall of BCIC Bhaban, Dhaka, which was participated by the Members & their children, says a Press release.

Malaysia may stop raising taxes on tobacco

KUALA LUMPUR, July 20: Malaysian minister said he would ask the government to stop raising tobacco taxes as measures taken to discourage smoking had created a thriving black market for smuggled cigarettes, reports AFP.

18 million cigarettes were smoked last year, compared to eight million in 1983. "All feedback shows that the country's cigarette consumption has not decreased despite being piled with more tobacco taxes every year," Lim told reporters.

Ibrahim, who announced yet another round of tax hikes for tobacco products last year, to put a ceiling on cigarette prices. Local tobacco companies could be forced out of business if price hikes were not contained, he said.



A K M Mostafizur Rahman, Managing Director, Jiban Bima Corporation, handing over the death claim cheque amounting to Tk 13,70,229/- of eminent industrialist and Lion late Humayun Zahir to his wife Quamrun Nahar. Incidentally, another cheque of Tk 8 lakh was paid to the family of late Zahir under Group Insurance scheme held with Janata Insurance Co Ltd recently.

Australian wheat output may rise this year

SYDNEY, July 20: The Australian wheat crop was forecast to be 15 million tonnes this year, up 600,000 tonnes on last year, the Australian Wheat Board (AWB) said Tuesday, reports AFP.

Shipping Intelligence CHITTAGONG PORT

Table with 6 columns: Berth No., Name of vessels, Cargo, L. Port Local call, Agent, Date of Leaving arrival. Includes sub-tables for VESSELS DUE AT OUTER ANCHORAGE and TANKER DUE.

\$300,000 Seoul peace prize scrapped

SEOUL, July 20: South Korea has decided to scrap a controversial 300,000-dollar prize established to commemorate the host of the 1988 Olympics in Seoul, official said Tuesday, reports AP.

High interest on savings certificates contradict spirit of market mechanism

Commentary

Abu Ahmed Guest Columnist

Though the prevailing inflation rate is one of the lowest for Bangladesh though Bangla-desh, Bank fixed its bank rate at a very low 6.5 per cent level, and though commercial banks lowered their deposits' rates, the government of Bangladesh is paying an unbelievably high rate of interest on its savings certificates.

What should be rates of interest in the country? It should be as determined by the demand of and supply for lendable funds. The rates converge to the inflation rate. Otherwise there will be big gaps between them, which are the real rates of interest, and which cannot be paid by a slowly growing economy like ours.

When the government of Bangladesh is paying interest rates between 15 to 18 per cent on its certificates, real rates of interest stand between 10 to 13 per cent given the five per cent inflation rate. Can any economy of the world afford to pay such exorbitant real rates of interest? An economy can pay such extra rates like these only for a short period. The government already sold, by June 1992, savings certificates worth of Tk 1,703.83 crore. The aggressive sales drive now it is undertaking will lead to the sale of certificates worth another 1000 crore taka by year-end.

Both the techniques are bad for the economy. When a debt is served either by more taxation, or by monetising it. Both the techniques are bad for the economy. When a debt is served by additional taxation, investment falls elsewhere. On the other hand, when a debt is monetised, inflation goes up.

Exchange Rates

Table with 4 columns: Currency, Selling B.C., T. T. (C), Buying OD Transfers. Includes US Dollar, UK Pound Sterling, D.M., etc.

DSE SHARES AND DEBENTURES

Large table listing various stocks and debentures with columns for Company, FV/ML, Closing Rate, etc. Includes sections for BANKS, INVESTMENT, INSURANCE, ENGINEERING, etc.