

US signs trade accord with Latvia

RIGA, July 7: US President Bill Clinton and Latvian Prime Minister Valdis Birkavs on Wednesday signed a bilateral trade agreement extending most-favoured-nation status to the tiny Baltic republic...

This agreement lays the basis for greater, freer and fairer trade between the US and Latvia...

Under MFN, most tariffs are eased or eliminated.

Plight of farmers in Gopalganj

GOPALGANJ, July 8: A large number of farmers in five thanas of the district have totally lost their interest in agriculture as they are being deprived of fair prices for their produce...

Each and every farmer here will just leave agriculture as their main occupation if they get any alternate source of income...

There is no conformity with the prices of agri-products in the markets and actual cost of production...

Peter Lucas new director of Dhaka Sheraton

Peter Lucas is the new director of food and beverage (F&B) related activities of the hotel.

Prior to his present assignment, he was the manager of food and beverage of Sheraton Brisbane Hotel and Towers in Australia.

An F&B specialist Peter Lucas attended hotel management course from William Angles College Victoria, Australia.

Apart from working with reputed hotel chains Peter joined ITT Sheraton Corporation in 1986.

Tk 5000 cr may be invested in 900 private units

By Staff Correspondent

Taka five thousand crore is proposed to be invested in the private sector against nine hundred industrial units...

About 1,16,500 persons are expected to get jobs in these enterprises, according to the BOI sources.

In 1992-93 fiscal, the proposed amount of investment was only Taka 517 crore and the number of industries registered was 381.

In 1993-94, the amount of local investment is about Taka 1,794 crore against 800 industrial units.

joint ventures, the investment is proposed to be about Taka 3,169 crore against around 100 units.

Sources in the BOI said the government policy to boost the private sector and liberalise the conditions for investment is attracting local and foreign entrepreneurs to invest in Bangladesh.

As the Bangladesh market is now open to all, a good trend is being observed in the private investment sector.

A BOI source told The Daily Star that investors are eager to invest in Bangladesh following the government steps to improve management in the BOI.

In only four months from March to June this year, about 411 industrial units have been given registrations. Of these, 16 units are foreign, 343 local and 52 joint ventures...

Foreign entrepreneurs want to invest mainly in garments, textiles, leather goods and toy manufacturing.

The major foreign investors have come from Malaysia, UK, India, Pakistan, South Korea, Germany, China, Japan, Spain, Taiwan, Singapore, USA, Indonesia and Hong Kong.

Asian stock markets close mostly lower

HONG KONG, July 7: Asian stock markets closed mostly lower Thursday, with share prices slipping in Tokyo though the US dollar rebounded from a record low against the Japanese yen...

Tokyo's 225-issue Nikkei Stock Average fell 9.01 points, or 0.04 per cent, closing at 20,620.02. On Wednesday, the index had fallen 205.34 points, or 0.99 per cent, closing at 20,629.03.

Share prices moved slightly higher on small-toil buying in the morning session, but fell back on arbitrage selling in the afternoon, dealers said.

The Hang Seng index, the Hong Kong market's key indicator of blue chips, rose 35.94 points, or 0.42 per cent, closing at 8,490.86.

Wellington: New Zealand shares closed lower in busy trading. The NZSE-40 Capital Index fell 17.88 point to 1,966.25.

Manila: Share prices closed slightly higher because of bargain-hunting. The Philippine Stock Exchange's composite index of 31 selected issues gained 1.43 points to 2,629.23.

Sydney: Australian share prices closed lower, mainly in response to weakness in commodity prices and lack of direction from overseas markets.

Seoul: Share prices closed lower for the second straight day on continued profit-taking. The Korea Composite Stock Price Index fell 7.77 points to 945.71.

Taipei: Share prices closed lower after Wednesday's rally. The market's Weighted Index fell 19.85 points to 6,095.34.

Kuala Lumpur: Malaysian share prices closed mostly lower in thin trading. The Kuala Lumpur Stock Exchange's Composite Index fell 13.99 points to 981.37.

Bangkok: Thai share prices closed slightly higher despite some profit-taking. The Stock Exchange of Thailand index rose 5.41 points to 1,302.86.

Jakarta: The stock exchange's Composite Index rose 0.417 points, closing at 454.104.

India's export growth rate drops to 9.7 pc

NEW DELHI, July 7: India's export growth rate dropped sharply to single-digit level in the first two months of the current fiscal year...

But senior government officials said worries that an export boom was tapering off were premature, describing the fall in the April-May growth rate to 9.7 per cent as a temporary phenomenon.

Overseas shipments in the two months earned 11.8 billion dollars, leaving a 348-million-dollar trade deficit...

Exports in the same period the previous year rose a record 41 per cent.

For the whole of fiscal 1993-94 to March, exports grew at more than 20 per cent to 22 billion dollars, keeping the balance of payments under control.

The Commerce Ministry has set an annual 25 per cent growth target for the next three years, hoping for exports to benefit from greater market access promised by the April accord on the General Agreement on Tariffs and Trade.

A senior official in the ministry said the flagging export momentum in April-May had raised some concern in the government, which is analysing reasons for the drop, but underplayed its significance.

SATS signs accord to develop \$13m inflight kitchen at Karachi airport

SINGAPORE, July 7: Singapore Airport Terminal Service Pte Ltd (SATS) has signed on June 28 a joint venture agreement with Arab Asia Investments to develop a 13 million US dollar inflight kitchen at Karachi's Quaid-e-Azam International Airport...

The agreement will take a 49 per cent stake in the joint venture, which is named Aviserv Ltd Arab Asia Investments will hold 51 per cent.



M Ahsan Ullah, General Manager (Claims) of Sadharan Bima Corporation (SBC), handing over a cheque for Taka 13604310 to M Shahabuddin Ahmed, Managing Director of Kader Synthetic Fibres Limited, against a fire claim in the city yesterday.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on July 7 and 8. (Figures in Taka)

Table with columns for Currency, Selling (TT & OD, IC), and Buying (TT, Sight, OD, Transfer) rates for various currencies like US Dollar, Pound Sterling, etc.

Table with columns for Currency, Selling (T.T. & O.D.), and Buying (O.D. Transfer) rates for currencies like S Riyal, UAE Dirham, Kuwaiti Dinar, etc.

Dhaka Stock Prices

At the close of trading on July 7, 1994

Losers' domination continues

The losers continued their domination on the floor of the Dhaka Stock Exchange (DSE) on Thursday, the closing day of the week.

The number of issues traded fell to 41 from 46. Of them, 20 incurred losses, 11 gained and 10 others remained unchanged.

Beximco Ltd led the losers in terms of volume with 3000 shares traded.

In terms of value, Monno Jute led the losers with a fall of Taka 20.00 per share.

GQ Ball Pen dominated the gainers' list in terms of volume. Its 1025 shares were traded.

The turnovers on the DSE fell. The turnover in volume decreased by 60,159 per cent and the turnover in value showed a decline of 95.461 per cent.

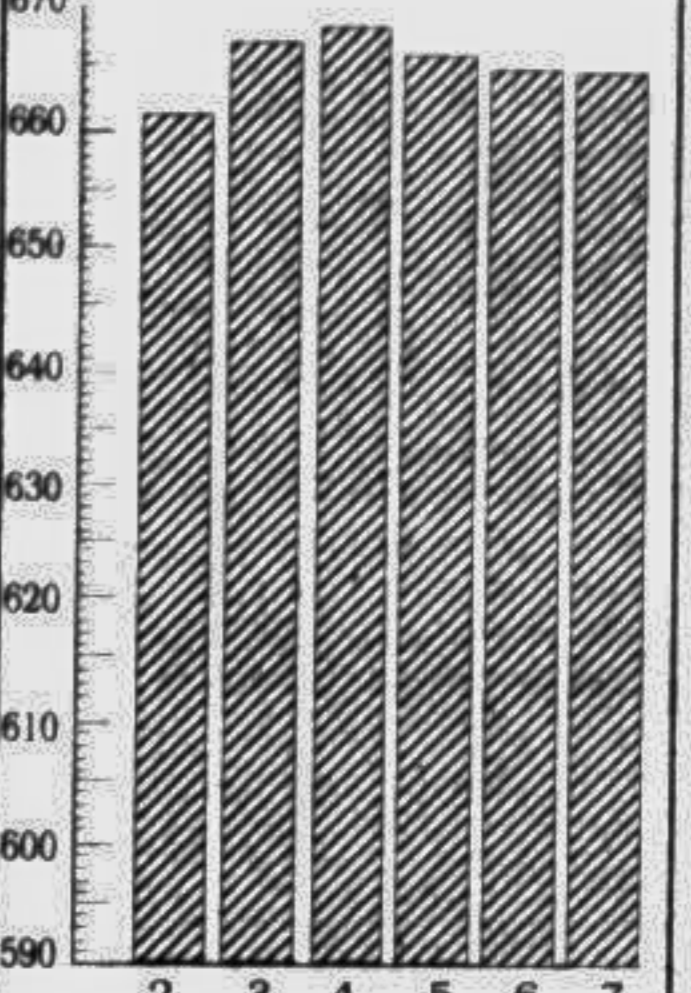
A total of 11,087 shares worth Taka 18,73,441.00 changed hands as against Wednesday's 27,828 shares valued at Taka 41,27,612.80.

The DSE All Share Price Index continued the downward trend. It dropped to 664.45454 from 664.5224, a decline of 0.0102 per cent.

Trading at a glance

Table listing trading activity for various companies, including Losers (20) and Gainers (11).

DSE All Share Price Index



DSE Shares and Debentures

Large table listing various shares and debentures traded on the DSE, including company names, prices, and volumes.

Bangladesh at crossroads in its quest for social, economic development

Synergies and Implementation Priorities in the Reform Programme

This executive summary started out by asking four questions relating to how government policy and actions over the medium term can facilitate accelerated growth.

First, breaking out of the current aggregate demand problem and stimulating weak economic activity is the most important challenge facing the government.

Second, improvements in the policy and business environments are needed to reduce large effectiveness gaps that still keep the 'cost of doing business' in Bangladesh high.

Third, clearing the regulatory underbrush and rapidly initiating public-private partnerships in the utilities and infrastructure are required to bring much needed new investment, management styles, and technology to Bangladesh.

Fourth, completing the government's privatization programme expeditiously is also important.

as much to demonstrate its commitment to the private sector as to raise public efficiency and ameliorate the problem of bad debts in commercial banks.

First, rapid implementation of the ADP in the priority areas of infrastructure and the social sectors will help crowd in private investment.

Second, faster progress on restructuring problem SOE sectors, such as jute and textiles, should have a profound effect on cleaning out the portfolios of the affected NCBs.

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Fourth, clearing the regulatory underbrush and rapidly initiating public-private partnerships in the utilities and infrastructure are required to bring much needed new investment, management styles, and technology to Bangladesh.

visioning costs, and thereby reduce lending rates. Downsizing the SOE sector, including the voluntary separation of labour, will progressively reduce the demonstration impact of public sector wage policies on the private sector.

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ties. As adjustment experience elsewhere shows, completing this ambitious reform agenda will take time, and it is imperative that policymakers stay the course until a critical mass of self-sustaining reforms develops.

Over the short to medium term: (a) encourage private entry in the utilities and infrastructure in order to attract foreign investment and improve domestic service provision;

(b) privatize Rupali as soon as feasible to show the way for future banking privatizations, enhance bank supervision, increase new banks, and restructure the two denationalized banks so that competition can increase at the same time as bank portfolio quality improves with the imposition of hard budget constraints on SOEs and their restructuring in sectors such as jute;

(c) make deregulation of the private sector genuinely effective, removing the implementation and credibility gaps that exist between policies and their outcomes; and

(d) enhance the flexibility of industrial labour markets by ensuring that government interventions are kept to a minimum and they do not impede the decentralized setting of wages in the private sector in line with productivity gains.

Concluded (The author is a senior economist at the World Bank headquarters in Washington.)

This is the last instalment of Executive Summary of the Country Economic Memorandum (CEM) of the World Bank. We have serialised the CEM with a view to encouraging public debate on the subject. We welcome write-ups by the public on the CEM.