#### 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, reports Reuter.

"This agreement lays the basis for greater, freer and fairer trade between the US and Latvia," White House Press Secretary Dee Dee Myers said in a statement.

"The agreement specifically provides for a reciprocal extension of most-favoured-nation (MFN) treatment for products originating in each country's territory," she said. 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, reports UNB.

"Each and every farmer here will just leave agriculture as their main occupation if they get any alternate source of income," said an aggrieved poor farmer.

"There is no conformity with the prices of agri-products in the markets and actual cost of production", he said adding. "condition of the landless farmers in the district is the worst and their numbers are increasing rapidly."

On the one hand, the prices of agri-inputs are on the rise, on the other, the farmers have been hunch-backed with the mounting pressure of bank loans, said a local leader. adding "they are really in a miserable condition".

#### Peter Lucas new director of Dhaka Sheraton



Peter Lucas is the new director of food and, beverage of Dhaka Sheraton Hotel says a press release.

An Australian national Peter will be responsible for all 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 lowers 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 Asian stock markets 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 which have been registered with the Board of Investment in fiscal 1993-94.

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. While in foreign and

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, figures

published here Wednesday

cials said worries that an ex-

port boom was tapering off

were premature, describing

the fall in the April-May

growth rate to 9.7 per cent as

two months earned 11.8 bil-

lion dollars, leaving a 348-mil-

lion-dollar trade deficit, ac-

cording to Commerce Ministry

Exports in the same period

as much to demonstrate its

commitment to the private

sector as to raise public effi-

ciency and ameliorate the

problem of bad debts in com-

mercial banks. Fourth, the fi-

nancial restructuring of the

NCBs (in conjunction with the

imposition of hard budget

constraints on SOEs) and the

private banks, and further em-

powering Bangladesh Bank for

effective regulation, need to

start in earnest. Both will take

tion from dominant govern-

ment ownership to efficient

private control must be man-

aged carefully. For industrial

labour markets to translate

rapid growth into rapid em-

ployment, the government

must look to both its own po-

tentially misguided interven-

tions and the effect of public

sector wage policies. When

such policies create a mis-

match between increases in

real wages and productivity.

they potentially render ineffec-

tive Bangladesh's comparative

advantage in low labour costs.

To raise productivity, greater

investments in both human

capital and plant and machin-

It is important to empha-

size that these four elements

form a package, with the effect

of the whole likely to be

greater than the sum of its

parts. Implementing this

agenda will require a renewed

political commitment and at-

tention to bureaucratic capac-

ity for accelerated reforms.

ery are necessary.

time, and the structural transi-

Overseas shipments in the

a temporary phenomenon.

But senior government offi-

showed, reports AFP.

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 BOL

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

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

istry said the flagging export

momentum in April-May had

raised some concern in the

government, which is

analysing reasons for the drop.

A senior official in the min-

The Commerce Ministry

India's export growth

rate drops to 9.7 pc

control.

Trade.

"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," while in previous three years only 1215 industries had been reg istered with the Board of Investment

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.

#### 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 says a press release.

Dr Cheong Choong Kong. Chairman, SATS, and Navaid H Malik, Chief Executive Officer of Arab Asia Investments. signed on behalf of their respective companies.

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

# the previous year rose a record but underplayed its signifi-41 per cent. cance.

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.

# 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 ven. reports AP

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. The Tokyo Stock Price Index of all issues listed on the first section was down 2.22 points, or 0.13 per cent, to 1.668.43.

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

its losing Wednesday of 98.30 yen was the lowest in Tokyo since modern exchange rates were set in the late 1940s. It also was the eight record low in 11 sessions.

The Hang Seng Index, he Hong Kong market's key indicator of blue chips, rose 35.94 points, or 0.42 per cent, closing at 8,490.86. On Wednesday, the index had tumbled 168 points.

Brokers attributed the rise to bargain hunting following Wednesday's tumble, which was caused by the worry over the weakness of the US dollar.

WELLINGTON: New Zealand shares closed lower in busy reading. The NZSE-40 Capital index fell 17.88 point to 1,966.25.

MANILA: Share prices

D) US Dollar 3 months forward sale:

Currency

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. The All Ordinaries Index fell 29.0 points to 1,962.2.

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.

SINGAPORE: Share prices closed lower for the fourth straight session in line with weaker overseas markets. The 30-share Straits Times Industrials Index fell 16.87 points to 2,146.01.

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

**KUALA LUMPUR:** Malaysian

BANGKOK: That 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.

Buying

Tk. 40.6225

### 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)

Selling

	TT & OD	EC	TT Clean	OD Sight Ex. Bills.	OD Transfer
US Dollar	40.3950	40.4225	40.1700	40.0775	39.9615
Pound Sterling	62.3941	62.4366	61.4182	61.2767	61 0994
DM	25.7057	25.7232	25.3001	25.2419	25.1688
F Franc	7.4868	7.4919	7.3683	7.3513	7.3300
C Dollar	29.2844	29.3043	28.8107	28.7444	28.6612
S Franc	30.5080	30.5287	30.0136	29.9445	29.8578
Jap Yen	0.4122	0.4125	0.4016	0.4007	0.3995
Indian Rupee (AMU)	1.2908	1.2973	1.2754	1.2594	Control of the contro
Pak Rupee (AMU) Iranian Riyal (AMU)	1.3204 0.0232	1.3270 0.0233	1.3046	1.2883 0.0226	
A) T. T.(DOC) US Do B) <u>Usance Rates:</u> 30 Days DA 60 Da 30 8191 39.5		Buying Ti 0 Days DA 39 2500	40.1237 120 Day		Days DA

Currency	T.T. & O.D.	Buying O. D. Transfer
S Riyal	10.7711	10.6547
UAE Dirham	10.9987	10.8795
Kuwaiti Dinar	136.5619	134.7547
Singapore Dollar	26.5494	26.2473
D Guilders	22.5469	22.3012
S Kroner	5.1919	5.1296
Malaysian Ringgit	15.5097	15.3403

C) US Dollar sight export bill 3 months forward purchase: Tk. 40.0775

#### Note: AMU—Asian Monetary Unit Bangladesh at crossroads in its quest for social, economic development Board and requiring it to make

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

#### 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. As the discussion here and in the report shows, the resulting agenda for promoting an export push by the private manufacturing sector is an ambitious one, requiring simultaneous progress on many fronts.

First, breaking out of the current aggregate demand problem and stimulating weak economic activity is the most important challenge facing the government. Quicker tariff reductions and lower real interest rates are needed to spur private investment, raise confidence, and precommit the government to the irreversibility of an outward-oriented adjustment process. In the short-run, faster ADP implementation is the primary fiscal instrument at the government's disposal to raise investment. 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, and act as a potential deterrent to greater domestic and foreign investment. Third, clearing the regulatory underbrush and rapidly initiating public-private partnerships in the utilities

and infrastructure are required

to bring much needed new in-

vestment, management styles,

and technology to Bangladesh.

Completing the government's

privatization programme ex-

peditiously is also important,

### by Shekhar Shah

Fortunately, there are powerful synergies between the various elements of the reform programme, which should make progress on several fronts mutually reinforcing. Two such synergies are highlighted be-

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

debate on the subject. We welcome write-ups by the public on the CEM.

The fiscal stimulus from lifting

aggregate demand will,

through its stimulation of pri-

vate investment demand for

investible funds, also break the

current lending standstill in

the financial sector, and make

restructuring that much easier

in a growing market than in a

stagnant one. Similarly, it

would ease industrial labour

market frictions as employ-

ment rises in response to

higher economic activity.

Greater private investment in

plant and machinery will en-

able faster increases in labour

restructuring problem SOE

sectors, such as jute and tex-

tiles, should have a profound

effect on cleaning out the

portfolios of the affected NCBs.

This will facilitate privatization

and restructuring of the NCBs.

and increase the effectiveness

of financial intermediation for

the private manufacturing

sector as a whole. In particu-

lar, it will lower loan loss pro-

Second, faster progress on

productivity.

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. Private entry in utilities and telecommunications will bring large, lumpy investments that should work toward ame-

liorating the problem of weak

aggregate demand. New entry,

particularly foreign investment

in technologies, management

and marketing, will not only

bring competitive pressure on

the public monopolies, but also

a new ethos to industrial man-

agement, labour relations and

productivity, and new technol-

Besides synergies, the re-

form programme also implies

some short-run tradeoffs.

Faster tariff reductions may.

depending on the buoyancy of

imports, slow down the

growth of tax revenues. The

government's comfortable do-

mestic resource position

makes this tradeoff less impor-

tant than it might otherwise be

deemed. Liberalizing interest

rates on deposits and rational-

izing them on savings certifi-

cates may cause temporary

declines in financial savings.

However, total saving responds

more to income growth than

to interest rates, and will pick

Implementation Priori-

up with rising incomes.

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. In order to put the synergies in the reform programme to work as soon as possible, and to develop an early policy momentum while Bangladesh enjoys the current

window of opportunity, the

government should consider

(a) accelerate ADP imple-

mentation urgently, while

maintaining its quality, to lift

the economy out of its low ag-

gregate demand problem, as

well as to lay the foundation for

(b) complete tariff liberal-

ization within the next 12 to

18 months to precommit the

government to the pace and

direction of reform, and man-

maintain competitiveness;

age costs and prices so as to

further, by removing or further

lowering the floor on deposit

rates and rationalizing returns

of risk-free government in-

rates decline and, in conjunc-

tion with the fiscal stimulus.

layed privatization of manufac-

turing SOEs quickly by em

(d) conclude the much-de-

raise private investment;

struments, so that real lending

(c) liberalize interest rates

private sector development;

the following priority actions.

In the short run:

(a) encourage private entry

environment.

in the utilities and infrastructure in order to attract foreign investment and improve domestic service provision;

the rapid progress that would

clearly signal to the private

sector the direction and un-

derlying commitment of gov-

ernment policy toward private

(e) support those subsec-

tors that can significantly en-

hance their export prospects

(as happened in the ready-

made garments industry) by

small and easily implementable

improvements in the policy

Over the short to medium

sector development; and

(b) privatize Rupali as soon as feasible to show the way for future banking privatizations. enhance bank supervision, license 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 powering the Privatization Washington).

## Dhaka Stock Prices

At the close of trading on July 7, 1994

#### Losers' domination continues

Star Report The losers continued their domination on the floor of the Dhaka Stock Exchange (DSE)

on Thursday, the closing day of 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

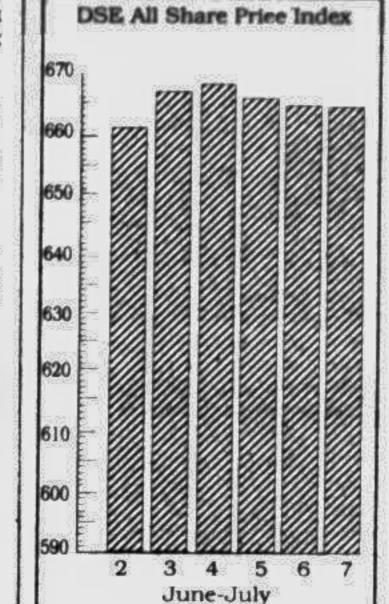
shares traded. In terms of value, Monno Jutex led the losers with a fall

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.



Company

**BANKS (13)** 

A.B. Bank

City Bank

IDLC Ltd

LFLC

U.C.B.L

Al-Baraka Bank

Eastern Bank

Islami Bank

Pubali Bank

Rupali Bank

Uttara Bank

INVESTMENT (8)

1st ICB M. Fund

2nd ICB M Fund

3rd ICB M. Fund

4th ICB M. Fund

5th ICB M. Fund

6th ICB M. Fund

INSURANCE (5)

Eastern Insurance

ENGINEERING (19)

Aftab Automobiles

Atlas Bangladesh

Bangladesh Lamps

B. That Aluminium

Bengal Carbide

Eastern Cables

Howlader PVC

Bengal Steel

Karim Pipe

Metalex Corp.

Monno Jutex

National Tubes

Quasem Drycells

Renwick Jajneswar

Singer Bangladesh

FOOD & ALLIED (23)

Panther Steel

A.B Biscuit

Apex Food

Aroma Tea

**B.D. Plantation** 

Ctg. Vegetables

E.L. Camellia

Dhaka Vegetables

Froglegs Export

Hill Plantation

Rabeya Flour

Rupon Oil

Tulip Dairy

Yousuf Flour

Gemini Sea Food

Modern Industries

Zeal Bangla Sugar

FUEL & POWER (4)

Eastern Lubricant

National Oxygen

Padma Otl Co.

TEXTILE (19)

Dulamia Cotton

GMG Ind. Corp

Eagle Star Textile

Bengal Food

B.L.T.C.

B.T.C.

N.T.C

Alpha Tobacco

Amam Sea Food

Monno Stafflers

Aziz Pipe

Peoples Insurance 100/10 450.00

United Insurance 100/10 345.00

Bangladesh Autocars 100/5 44.00

ICB Unit Cert.

Sale Price

BGIC

Re-Purchase

Green Delta

National Bank

18,73,441.0 Change Number Company's name Tk trade Losers (20) slamt Bank 1.00 7.79 6th ICB M Fund 0.74 10 Monno Jutex 20.00 **BD** Autocars 2.00 tenwick Jaineswar 7.00 **BD That Aluminium** 1.42 10.00 Apex Foods Dhaka Veg 1.94 Ctg Veg Oil Modern Dyeing

Trading at a glance

Apex Spinning 1.58 Kohinoor Chemical Rahman Chemicals 1.62 Beximco Synthetic 0.40 Jemanta Glass 0.10 Beximco Ltd Ctg Cement 16.46 Gainers(11) Eastern Cables 0.67 Singer BD Ltd 30.95 Bengal Food 10.15 0.54 BD Oxygen Rahim Textile 5.18 1.00 fallu Spinning 0.04 100 Ambee Pharma 5.00 Apex Tannery 1025 GQ Ball Pen 0.81 0.09 Monno Ceramic

#### Unchanged (10)

Apex Footwear

Quasem Drycells (300) National Tubes (260), Saiham Textile(80), Tamijuddin Textile (470), Beximco Pharma (5). Ibn Sina Pharma(20). Eagle Box & Carton (800), Bata Shoe Co (100), BGIC (20), Beximco Deb (5)

100/5 85.00

100/5 116.15

100/5 700.00

100/5 285.00

100/5 245.00

100/10 244.00

100/10 162.33

100/10 127.00

100/10 381.00

100/20 246.00

100/10 350.00

100/5 240.00

10/50 62.52

100/5 355.59

100/51440.00

100/10 122.53

100/5 528.82

10/50 20.00

100/5 119.67

100/10 60.00

100/5 103.00

100/5 60.00

100/5 370.00

100/5 880.00

100/52307.77

100/5 198.00

10/50 51.00

100/5 500.00

100/5 910.00

100/5 55:00

100/5 172.00

100/5 500.00

100/5 250.65

100/5 550.00

10/50 180.00

100/5 108.40

100/51040.00

100/5 70.00

100/5 550.00

100/5 400.00

100/52 300.00

10/50 174.00

10/50 14.00

10/50 68.00

100/10 70.00

100/10 110.00

10/50 15.02

10.00

10/50

NT

5.50

75.00

15.00

7.69

10/100

10/100

100/10

10/50

10/50

100/10 80.00

82.00

16.20

63.00

8.00

100/10

10/50

10/50

100/5

127.00

122.00

SE Sh	ares a	nd Debentu	res	
FY/ML (Taka)	Closing Rate (Taka)	Modern Dyeing Padma Textile Quasem Silk	100/5 100/20 10/100	36.14 342.00 3.60
10 100 HOUSE GOOD OF THE	820.00 185.00	Quasem Textile Rahim Textile Saiham Textile S.T.M. (ORD)	10/50 100/5 100/10 100/5	90.18 80.00
100/5 100/20 100/20 100/20	A DESCRIPTION OF THE PROPERTY	Stylecraft Swan Textile Tallu Spinning	100/5 100/5 100/10	425.00 20.00 121.00
100/5 1000/1 100/5	165.00 1499.00 115.00	PHARMACEUTIC	100/10	182.00
100/10	72.00	CHEMICALS (20)	10/50	

CHEMICALS (20)	LS &	
Ambee Pharma	10/50	17.10
Bangla Process	100/5	45.00
BCIL	100/10	445.00
Beximco Infusion	100/00	581.50
Beximco Pharma	100/5	1500.00
B. Synthetics	100/20	229.69
Glaxo	10/50	140.00
ACI	10/50	115.00
Kohinoor Chemical	100/5	103.42
N Polymer	100/10	140.00
Petro Synthetic	10/50	9.50
Renata Ltd	100/5	720.00
Pharma Aids	100/5	279.20
Pharmaco	100/5	74.25
Progressive Plastic	100/5	20.00
Rackitt & Colman	10/50	95.00
Rahman Chemicals	100/10	52.00
Therapeutics	100/5	65.00
The Ibnsina	100/10	115.00
Wata Chemical	100/20	260.00

rata Circumcai	100/20	200.00
APER & PRINTIN	G (6)	
Cagle Box	10/5	18.60
Monospool Paper	100/5	30.00
aper Converting	100/5	85.00
aper Processing	100/10	16.00
adma Printers	10/50	50.00
onali Paper	10/50	40.00
ERVICE (2)	), ii	20
langladesh Hotel	10/50	12.00

Bd. Service 10/50 MISCELLANEOUS (18) Apex Footwear 100.20 496.89 100/5 880 00 Apex Tannery

AA Taumery	100/3	OOU.
amit	10/50	20.0
ata Shoe	10/100	91.0
eximeo	10/100	53.0
S.C	100/5	100000000000000000000000000000000000000
g. Cement	100/5	The second section is a second section.
Q. Ball Pen	10/50	
gh Speed .	100/5	THE PROPERTY OF THE PARTY OF TH
madri Ltd.	10/100	6.0
ion Tannery	100/5	9.7
onno Ceramic	100/5	THE PERSON NO.
w Dhaka Refae	100/20	San
oenix Leather	100/5	Charles and the second
var Refractories	100/5	
e Engineers	100/5	100.0

Texpick Ind 100.10 85.00 Usmania Glass 100/5 397.00 JUTE (12) 100/10 Ahad Jute 10/50 Anowara Jute 10/50 8.50 10/50 Gawsta Jute 100/5 70.00 Islam Jute Jute Spinner Mutual Jute

100/5 126.67 100/5 120.00 Northern Jute 10/50 Shamser Jute 100/5 100.00 10/50 NT Specialised Jute 100/5 280.00 Shine Pukur Jute 100/5 130.00 DEBENTURES (5) 2000/1 2800.00 BCIL 1665/1 1600.00 Beximeo

Alhaj Textile 10/50 NT Apex Spinning 100/20 307.50 Arbee Textile 100/10 112 00 Ashraf Textile 10/50 26 04 Desh Garments 100/10 50.00

#### 17% Beximco Infusion 1500/2 1663.85 Beximco Pharma 856/1 770.00 Beximco Synthetic 2500/2 2470.00

Note : FV = Face Value ML= Market Lot NT= Not Traded AL = Allotment Letter