

Political changes unlikely to hinder Lankan economic growth

COLOMBO, Aug 3: Sri Lanka's robust economy is unlikely to suffer even if the ruling United National Party (UNP), whose liberal policies have led to growth, is defeated in this month's national poll, economists said.

"The expectation is that whichever government comes into power, we will have a free market system. This means that we would be able to maintain international confidence," a government economist told Reuters yesterday.

The opposition People's Alliance (PA), expected to pose a strong challenge to the UNP in the August 16 poll, has promised to continue economic reforms but with a few modifications.

The UNP, in power since 1977, has introduced reforms that have boosted foreign investment, particularly in the stock market.

The economist who declined to be named, said there could be a period of political uncertainty if there was a hung parliament, but foreign reserves were sufficient to cover imports for up to six months.

However, even if this period is up to six months (after the poll), we have sufficient foreign reserves to tide over any crisis," he said.

Sri Lanka's foreign reserves are now at a comfortable 2.4 billion dollars.

Many political analysts are predicting a hung parliament with the UNP or the PA as the single largest party in the 225-seat legislature but unable to form a government without the support of smaller groups.

Central bank officials said foreign fund inflows were expected to increase by 200 million dollars this year, down from a rise of 500 million dol-

lar in 1993. The fall is because of a slowdown in remittances from Sri Lankans working abroad.

The officials said the economy would also record slower growth this year of around 5.6 per cent, compared to 6.9 per cent in 1993.

Direct foreign investment was expected to be around 200 million from 250 million dollar last year and private short term inflows down to 115 million from 150 million dollar.

The government economist, attached to a top state research agency, attributed the lower growth to election year spending.

"The situation, however, is much better than during the 1988 (parliamentary) election year," he said.

He said the budget deficit would be around eight per cent of gross domestic product

against a targeted 6.5 per cent but much lower than 16 per cent in 1988.

Inflation was expected to be around 10-12 per cent this year against earlier expectations it may hit 18-20 per cent due to a government welfare programme, he said.

Last May, President Dingiri Banda Wijetunga offered a series of welfare measures including free meals, books and uniforms for school children, a wage rise and middle class tax breaks.

The package was expected to cost between 13 and 15 billion rupees (306 million dollar) but economists said little has been spent since polls were called six months ahead of schedule.

The presidential poll is expected by November while parliamentary elections were originally due by January 1995.

Hanoi seeking \$230m in loans from WB, ADB

HANOI, Aug 3: Vietnam is seeking 230 million dollars or more in soft loans from the World Bank and Asian Development Bank to improve its electricity network, bankers said Wednesday, reports AP.

The World Bank is considering lending about 150 million dollars to help the Energy Ministry upgrade power lines and equipment in southern and central Vietnam, representative Bradley Babson said. It may also finance the expansion of a generating plant, he added.

A team of specialists from the World Bank is scheduled to arrive in Hanoi next week to appraise the project. The bank could approve the loan by the end of the year, Babson said.

"Power shortages in the south are a real constraint on economic growth," he said. Among its inefficient, outdated equipment is the southern transmission system, some of which was reportedly built

in 1933. At the same time, demand for energy is growing quickly, especially in the nation's commercial capital, Ho Chi Minh City, Babson said.

The World Bank would finance the improvements under terms offered by its International Development Association. The loan would probably carry no interest rate, but the bank would charge an administration fee of 0.75 per cent. Vietnam would have 40 years to repay the loan, including a grace period of 10 years for the fee, Babson said.

The Asian Development Bank has already approved a loan worth 80 million dollars to help refurbish the electricity distribution system in northern Vietnam, pending further preparations, said Kien Dung, an officer at the State Bank of Vietnam. He gave no details.

The World Bank and Asian Development Bank resumed lending to Vietnam last fall.

Dhaka Stock Prices

At the close of trading on August 3, 1994

Trading surges

Star Report

The trading on the floor of the Dhaka Stock Exchange (DSE) surged in both the volume and value terms on Wednesday.

A total of 1,02,877.75 shares worth Taka 3,26,82,088.25 changed hands as against Tuesday's 33,147.00 shares valued at Taka 54,89,955.30.

The changes showed 210,368 per cent and 495,307 per cent gains in the total volume and value respectively.

The number of issues traded rose from 61 to 67, in which 29 gained, 26 incurred losses and 12 others remained unchanged.

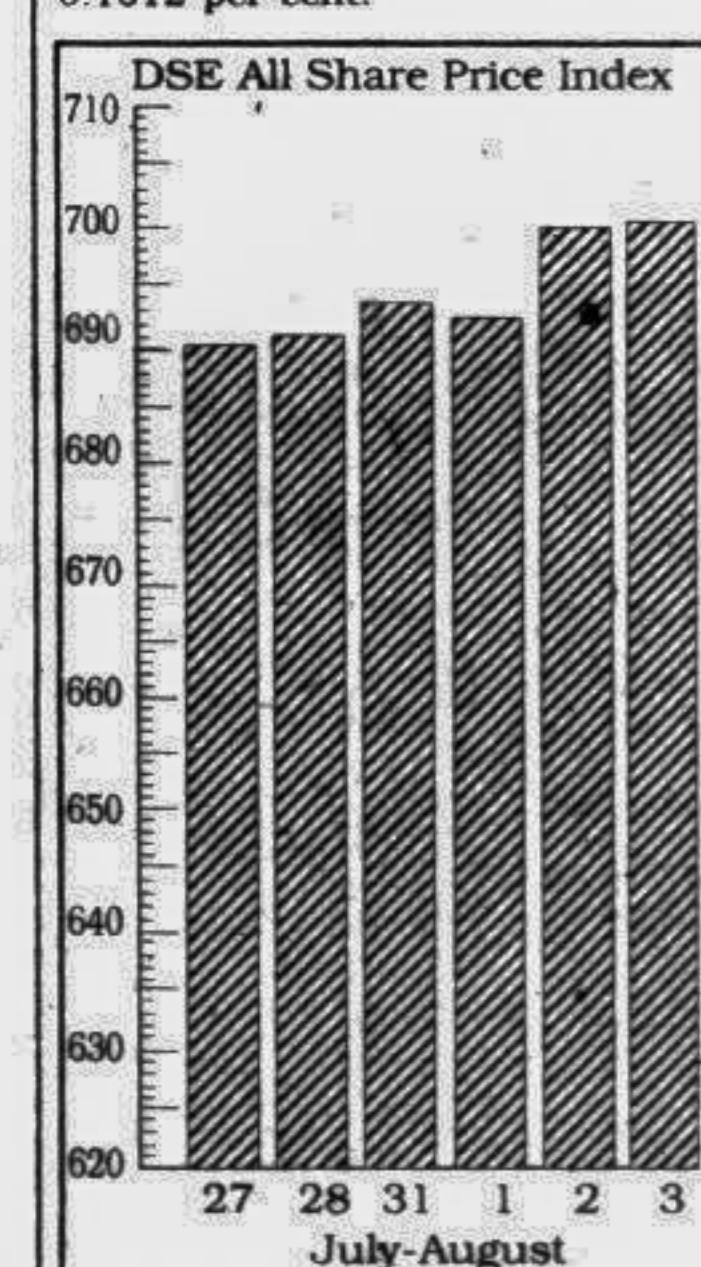
Apex Spinning led the gainers in terms of volume with 50680 shares traded.

Bengal Carbide (2714), BD Lamps (2061), Zeal Bangla Sugar (4500), Beximco Fisheries (2760), Apex Tannery (4185), GQ Ball Pen (2650) and Monno Ceramic also gained significantly.

In terms of value, ACI Ltd topped the gainers list with a rise of Taka 45.00 per share.

Among the losers, Beximco Synthetic (3600), 5th ICB M Fund (1480), Quasem Drycells (1400), Beximco Ltd (3000) and Eastern Insurance were the major volume leaders.

The DSE All Share Price Index rose to 700.85471 from 700.14637, posting a gain of 0.1012 per cent.



Trading at a glance

| | |
|---------------------------|--|
| DSE All Share Price Index | 700.85471 |
| Market Capitalization Tk | 3,188,39,00,912.82 |
| Turnover in Volume | 1,02,877.75 |
| Turnover in Value | 3,26,82,088.25 |
| Company's name | Change (per share) Number of shares traded |

| Gainers (29) | | |
|--------------------|-------|--------|
| City Bank | 19.94 | 1245 |
| Islami Bank | 5.00 | 9 |
| National Bank | 0.98 | 120.50 |
| 4th ICB M Fund | 1.54 | 480 |
| 6th ICB M Fund | 0.07 | 1480 |
| Aziz Pipes | 10.00 | 5 |
| Bengal Carbide | 21.98 | 2714 |
| BD Lamps | 10.00 | 2061 |
| Eastern Cables | 0.78 | 1035 |
| Singer BD | 15.47 | 43 |
| National Tubes | 1.04 | 270 |
| Bengal Food | 0.88 | 341.25 |
| Zeal Bangla Sugar | 0.09 | 4500 |
| Cit Vegetables | 1.44 | 4200 |
| Beximco Fisheries | 0.17 | 2760 |
| BD Oxygen | 1.00 | 311 |
| Asraf Textile | 0.31 | 800 |
| Saham Textile | 1.00 | 830 |
| Modern Dyeing | 0.63 | 10 |
| Tallu Spinning | 1.78 | 1110 |
| Tamijuddin Textile | 11.00 | 180 |
| Apex Spinning | 47.00 | 50680 |
| ACI Ltd | 45.00 | 1000 |
| Apex Tannery | 0.28 | 4185 |
| GQ Ball Pen | 4.45 | 2650 |
| Monno Ceramic | 9.74 | 2290 |
| Usumama Glass | 1.00 | 75 |
| Cit Cement | 0.23 | 475 |
| Apex Footwear | 0.05 | 1000 |

| Losers (26) | | |
|--------------------|-------|------|
| Rupali Bank | 2.50 | 30 |
| United Leasing Co | 8.73 | 120 |
| 2nd ICB M Fund | 0.93 | 136 |
| 3rd ICB M Fund | 0.07 | 300 |
| 5th ICB M Fund | 0.05 | 1480 |
| Atab Automobiles | 5.00 | 5 |
| Monno Jute | 10.00 | 10 |
| BD Autocars | 0.54 | 205 |
| Quasem Drycells | 0.16 | 1400 |
| Renwick Jaineswar | 1.00 | 55 |
| BD That Aluminium | 0.10 | 200 |
| Dhaka Vegetable | 1.44 | 455 |
| Padma Oil | 2.00 | 270 |
| Rahim Textile | 1.00 | 140 |
| Eagle Star Textile | 0.30 | 300 |
| Padma Textile | 0.05 | 420 |
| Ambee Pharma | 0.28 | 700 |
| Kohinoor Chemical | 1.25 | 140 |
| Beximco Synthetic | 1.17 | 3600 |
| Libra Pharma | 4.40 | 320 |
| Sonali Paper | 10.00 | 500 |
| Beximco Ltd | 1.44 | 3000 |
| Green Delta | 14.50 | 20 |
| United Insurance | 8.00 | 10 |
| Eastern Insurance | 0.53 | 1900 |
| B Fisheries (Debi) | 19.42 | 89 |

Issues (12) unchanged
Atlas BD (1470), Metalex Corp (45), National Oxygen (10), Desh Garments (150), Beximco Pharma (608), Pharmaco (300), Ibn Sina (120), Wata Chemical (140), Bata Shoe (20), BSC (100), BGIC (20), Peoples Insurance (80).

DSE Shares and Debentures

| Company | FV/ML (Taka) | Closing (Taka) | 100/20 | 300/20 |
|---------------------|--------------|----------------|--------|--------|
| BANKS (13) | | | | |
| AB Bank | 1000/1 | 760.00 | | |
| City Bank | 100/5 | 176.00 | | |
| Eastern Bank | 100/20 | 294.94 | | |
| IDLC Ltd | 100/20 | 110.00 | | |
| IDLC Ltd | 100/20 | 455.00 | | |
| ILFC | 100/20 | 360.00 | | |
| Islami Bank | 100/5 | 165.00 | | |
| National Bank | 100/5 | 1595.00 | | |
| Pubali Bank | 100/5 | 100.00 | | |
| Rupali Bank | 100/10 | 100.98 | | |
| U.C.B.L | 100/5 | 68.00 | | |
| Uttara Bank | 100/5 | 92.00 | | |
| INVESTMENT (8) | | | | |
| LCB | 100/5 | 125.00 | | |
| 1st ICB M Fund | 100/5 | 650.00 | | |
| 2nd ICB M Fund | 100/5 | 260.00 | | |
| 3rd ICB M Fund | 100/5 | 215.00 | | |
| 4th ICB M Fund | 100/10 | 329.54 | | |
| 5th ICB M Fund | 100/10 | 199.95 | | |
| 6th ICB M Fund | 100/10 | 135.07 | | |
| ICB Unit Cert. | | | | |
| SALE PRICE | | | | |
| Re-Purchase | | | | |
| INSURANCE (5) | | | | |
| BGIC | 100/10 | 385.00 | | |
| Eastern Insurance | 100/20 | 209.87 | | |
| Green Delta | 100/10 | 330.50 | | |
| Peoples Insurance | 100/10 | 450.00 | | |
| United Insurance | 100/10 | 320.00 | | |
| ENGINEERING (19) | | | | |
| Atab Automobiles | 100/5 | 220.00 | | |
| Atlas Bangladesh | 10/50 | 59.00 | | |
| Aziz Pipe | 100/5 | 420.00 | | |
| Bangladesh Autocars | 100/5 | 41.46 | | |
| Bangladesh Lamps | 100/5 | 1450.00 | | |
| B. Thai Aluminium | 100/10 | 120.18 | | |
| Bengal Carbide | 100/5 | 121.90 | | |
| Bengal Steel | 10/50 | 20.00 | | |
| Eastern Cables | 100/5 | 120.07 | | |
| Howlader PVC | 100/10 | 51.00 | | |
| Karim Pipe | 100/5 | 100.00 | | |
| Metalex Corp. | 100/5 | 50.00 | | |
| Monno Staffers | 100/5 | 340.00 | | |
| Monno Jute | 100/5 | 880.00 | | |
| National Tubes | 100/10 | 71.04 | | |
| Panther Steel | 10/50 | 8.00 | | |
| Quasem Drycells | 10/50 | 15.07 | | |
| Renwick Jaineswar | 100/5 | 67.00 | | |
| Singer Bangladesh | 100/5 | 2240.47 | | |
| FOOD & ALLIED (24) | | | | |
| AB Biscuit | 100/5 | 198.00 | | |
| Alpha Tobacco | 10/50 | 49.00 | | |
| Amann Sea Food | 100/5 | 500.00 | | |
| Apex Food | 100/5 | 890.00 | | |
| Agoma Tea | 100/5 | 55.00 | | |
| Bangas | 100/5 | 172.00 | | |
| B.D. Plantation | 100/5 | 500.00 | | |
| Bengal Food | 100/5 | 289.88 | | |
| B.L.T.C. | 100/5 | 500.00 | | |
| B.T.C. | 10/50 | 180.00 | | |
| Cit Vegetables | 100/10 | 80.94 | | |
| Dhaka Vegetables | 100/5 | 103.43 | | |
| E.L. Camella | 100/5 | 1040.00 | | |
| Fruglets Export | 10/50 | 3.00 | | |
| Gemini Sea Food | 100/5 | 65.00 | | |
| Hill Plantation | 100/5 | 550.00 | | |
| Modern Industries | 100/5 | 280.00 | | |
| N.T.C. | 10/100 | NT | | |
| Rabeya Flour | 10/100 | 4.70 | | |
| Rupon Oil | 100/10 | 75.00 | | |
| Tulip Dairy | 10/50 | 15.00 | | |
| Yousuf Flour | 10/50 | 7.48 | | |
| Zeal Bangla Sugar | 100/20 | 191.17 | | |
| Beximco Fisheries | | | | |
| FUEL & POWER (4) | | | | |
| BD Oxygen | 10/50 | 169.00 | | |
| Eastern Lubricant | 10/50 | 14.00 | | |
| National Oxygen | 100/10 | 70.00 | | |
| Padma Oil Co | 10/50 | 73.00 | | |
| TEXTILE (19) | | | | |
| Alhaj Textile | 10/50 | NT | | |
| Apex Spinning | 100/20 | 299.92 | | |
| Arbee Textile | 100/10 | 112.00 | | |
| Asraf Textile | 10/50 | 24.00 | | |
| Desh Garments | 100/10 | 52.00 | | |
| Dulama Cotton | 100/10 | 14.30 | | |
| Eagle Star Textile | 10/50 | 10.00 | | |
| GMO Ind. Corp. | 10/50 | 10.00 | | |
| Modern Dyeing | 100/5 | 37.00 | | |
| DEBENTURES (8) | | | | |
| BCI | 2000/1 | 275.00 | | |
| Beximco | 1988/1 | 1600.00 | | |
| Beximco Infusion | 1500/2 | 1670.00 | | |
| Beximco Pharma | 886/1 | 808.00 | | |
| Beximco Synthetic | 2500/2 | 2475.00 | | |
| Beximco Fisheries | 3000/1 | 2610.71 | | |

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

Arab Bank to open branches in Gaza, Jericho soon

GAZA CITY, Aug 3: The Arab Bank, which has the PLO as a long standing client, will soon open branches in the Palestinian self-rule areas after a 27-year absence, officials said Tuesday, reports AFP.

The decision comes amid rising interest from the Arab banking sector in the Gaza Strip and West Bank town of Jericho. At least two banks have set up branches in the self-rule areas and more have promised to follow suit.

Shukri Bishara, a director at the Arab Bank, met PLO Chairman Yasser Arafat and later told reporters new branches would be opened within two months in Gaza and Jericho.

Abdel-Aziz Shuman, a Palestinian, said the bank in 1930 in Jerusalem, in what was then British-mandate Palestine. It moved its headquarters to Amman after the creation of the state of Israel in 1948.

Israel closed down branches of Arab banks when it seized the West Bank, Gaza and East Jerusalem in the 1967 Middle East war.

JAL may hire 100 part-time flight attendants

TOKYO, Aug 3: Japan Airlines, struggling to cope with a business slump, is turning to part-time flight attendants as a cost-cutting measure, reports AFP.

The company plans to hire about 100 part-time flight attendants who will be assigned to domestic flights, a JAL spokesman said Wednesday.

JAL has said it will reduce its work-force of more than 21,000 employees by more than 4,000 over the next four years. The cutbacks are being carried out by attrition, transfers and reduced levels of new hiring, the company said.

The spokesman said the part-time workers will be paid about two million yen (20,000 dollar) a year — about half the salary of a full-time flight attendant. They will work yearly contracts that can be extended for up to three years.

Japan Air Lines, a subsidiary of JAL that flies mainly to Taiwan and other Asian points, hired 30 part-time workers in July. All Nippon Airways, another major Japanese airline, said it also plans to hire an unspecified number of part-time flight attendants next year.

Japan Airlines, the country's largest air carrier, suffered a pre-tax loss of 53.8 billion yen (538 million dollars) in fiscal 1992 and posted a 26.1 billion yen (261 million dollars) loss in fiscal 1993, which ended on March 31.

US dollar up in Tokyo

TOKYO, Aug 3: The dollar continued to rally against the yen in Tokyo Wednesday to close at 100.33 yen up 0.82 yen from the previous day's finish of 99.51 yen, reports AFP.

It was the first time since June 28 the US unit ended here above 100 yen.

The dollar moved in a narrow range in the absence of fresh incentive but some players bought the greenback on prospects of higher US interest rates.

After opening the day at 100.31 yen compared with New York's late Tuesday's quoted of 100.47 yen, the spot dollar moved between 100.22 yen and 100.44 yen.

Spot turnover totalled 5,596 billion dollars against 4,788 billion dollars traded in the previous session.

The mark closed at 1.5846 to the dollar against the previous day's 1.5790.



Jihan Bima Corporation paid death claim amounting to Taka 3 lakh against life policy of Tk. 1 lakh 50 thousand with double accident benefit. AKM Mostafizur Rahman, Managing Director, JBC seen handing over the cheque to Farzana Akhter, wife of late Md. Hayder Ali Sikder. The policy holder died in accident after paying only one premium.

APEC advisers propose lifting trade barriers by 2020

SINGAPORE, Aug 3: A group of advisers to the Asia Pacific Economic Cooperation forum has proposed lifting all trade barriers in the region by the year 2020, news reports said Wednesday, reports AP.

They recommended open regionalism to turn the APEC region into the world's most open trading area. The Straits Times said quoting Singapore's representative, Lee Tsao Yuan.

A blueprint is ready for member countries to liberalise at their own pace within a 20-year schedule beginning in 2000, the government-controlled newspaper reported.

It said the plan was forged by the advisers, known as the Eminent Persons Group, at a weekend meeting in Japan. Lee was not immediately available to confirm the report.

Independent economists in Singapore welcomed the idea but in interviews with The Associated Press warned it would be tough to get them past all member countries given their different political compulsions.

The EPG is composed of academicians, business executives and economists from member countries, and their

recommendations can be accepted in part, watered down or rejected by the members.

"I think the proposals are good but when it comes to nifty gritty of negotiation, I think it is a long shot," said Fred Wu, head of economic research at the Development Bank of Singapore.

"If everything is liberalised it could add another 10 to 12 per cent growth in the economy, sustainable every year, in ASEAN," said Yang Syjian of Kay Hian James Capel, a brokerage firm.