

Russia unveils new measures to boost economy

MOSCOW, Aug 16: Russia, treading a fine line between subsidising industrial dinosaurs and promoting productive investment, announced a series of new measures yesterday to boost economy, reports Reuters.

Under a decree signed last week by President Boris Yeltsin, enterprises will be able to compete for 4.2 trillion roubles (2 billion dollars) in state credits to be used on investment projects or to help them convert to other activities.

But, underlining the change from the old days of easy money on demand for insatiable state enterprises, the loans must all be repaid and the companies will have to come up with part of the money themselves.

"We are trying to give state credits only after an enterprise invests its own money," Deputy Economics Minister Vladimir Kosov told a news conference.

The enterprises themselves would have to provide a third of the money for conversion projects and half for investment.

Russia's reformist government still faces pressure from directors of old fashioned heavy industries, many of which are producing goods nobody wants to buy, to provide subsidies.

They say that without state help, many plants will be forced to close, with catastrophic consequences for employment.

However, the government is seeking to move to a market-based system of credits. Prime Minister Viktor Chernomyrdin made clear on a recent visit to Russia's far north that credits were available to all enterprises on equal terms.

Kosov said that, including credits already granted in the first quarter, the total sums available for the year would be 1.4 trillion (663 million dollars).

lars) for conversion projects and 2.8 trillion (1.33 billion dollars) for investment projects. No credits were granted in the second quarter, he said.

In the second half of this year, 1.5 trillion roubles (710 million dollars) would be earmarked for agro-industrial investment.

The credits would be available at a monthly interest rate of 10 per cent and all projects had to come to fruition by the end of next year. State investment would be no more than 17 per cent of all investment in Russia in 94, Kosov said.

The money to provide the credits was already in the budget so the measures would not be inflationary.

Deputy Finance Minister Sergei Alexashenko said a separate decree would allow firms to sell their products at below the cost of manufacturing. This was previously seen as a way to avoid tax and was punishable by heavy fines.

From now on, firms could sell their products at any price but any profits would be taxable, he said. He said the government wanted to cut the number of taxes firms faced.

Alexashenko said Russia's payments crisis was in part due to firms failing to restructure enough.

Debts between firms stand at about 90 trillion roubles (43 billion dollars) and a commission under first Deputy Prime Minister Oleg Soskovets has been set up to deal with the problem.

Yeltsin has issued a series of decrees this year in an effort to steer economic reform and keep the initiative from a parliament dominated by conservatives and communists.

"Life moves more quickly than our lawmakers can act... If we were to live according to the constitution and wait for all the laws, I fear we would have many, many problems," Alexashenko said.

Nepal Rastra Bank bans Indian 500 rupee notes

KATHMANDU, Aug 16: Nepal's central bank banned the circulation of Indian 500 rupee notes from Monday, state radio reported, reports AFP.

Quoting an official statement from the Nepal Rastra Bank (NRB), the radio said the Reserve Bank of India (RBI) would not accept the 500 rupee notes from Nepal for deposit in India.

"All commercial banks in Nepal and the central bank should henceforth stop the exchange of the Indian currency of 500 rupees denomination from Monday," the radio said.

No official reason was given in the NRB statement, but Nepalese traders said the RBI informed the Nepalese authorities six months ago it would stop accepting the 500 rupee notes from Nepal.

The traders said the RBI had not explained the purpose, but the move was probably to control the illicit flow of money out of India and to stop anti-Indian terrorists taking money out of the country.

Free convertibility of Indian paper currency is officially restricted to commercial banks and the NRB for commercial transactions. But it is still accepted by local businesses.

Meanwhile, NRB official said exports to India rose to 2.57 billion rupees (52 million dollars) in the last fiscal year, up 53.2 per cent on 1992-93.

Imports were worth 17.8 billion rupees (360 million dollars), 38.8 per cent higher than the 1992-93 figure. The 1993-94 trade deficit with India in the year to July 15 was 15.31 billion rupees, which the government has to finance through the exchange of US dollars.

The NRB official said the government had accumulated about 300 million rupee (six million dollars) in 500 rupee notes from border trade transactions and from Indian tourists.

"We may have to make special efforts to get accepted the Indian paper currency deposited at the NRB though we are stopping their circulation in the figure," the official said.

Dhaka Stock Prices

At the close of trading on August 16, 1994

Trading declines

Star Report

Trading on the floor of the Dhaka Stock Exchange (DSE) declined on Tuesday.

The turnover in volume fell by 20.522 per cent and the turnover in value showed a decline of 24.421 per cent.

A total of 45,253 shares worth Taka 76,15,187.50 changed hands as against Monday's 54,540 shares valued at Taka 94,74,861.50.

The DSE All Share Price Index also dropped. It decreased from 721.46498 to 720.87, showing a fall of 0.0820 per cent.

The number of issues traded totaled 69, in which 35 incurred losses, 21 gained and the share prices of other 13 issues remained unchanged.

Rupun Oil led the losers in terms of volume. Its 6000 shares were traded.

Sixth ICB M Fund (4050), Ashraf Textile (4006) and Beximco Ltd (2200) were also major volume leaders among the losers.

BGIC incurred a loss of Taka 15.00 per share, leading the losers in terms of value.

Beximco Fisheries dominated the gainers list in terms of volume with 2920 shares traded.

Bengal Carbide (2212), Paper Processing (2630) and GQ Ball Pen (2570) also gained significantly.

Trading at a glance

DSE All Share Price Index: 720.87
Market Capitalization: Tk 3,279,46,08,345.94
Turnover in Volume: 45,253
Turnover in Value: Tk 76,15,187.50

Company's name Change (per share) Number of shares traded

Losers (35)

| | | |
|--------------------|-------|------|
| 2nd ICB M Fund | 0.81 | 77 |
| 3rd ICB M Fund | 0.95 | 210 |
| 4th ICB M Fund | 1.96 | 374 |
| 5th ICB M Fund | 2.19 | 830 |
| 6th ICB M Fund | 0.81 | 4050 |
| Eastern Cable | 1.46 | 485 |
| Singer BD | 14.13 | 58 |
| Renwick Jewellery | 3.00 | 105 |
| National Tubes | 8.00 | 40 |
| BD Thai Aluminium | 5.49 | 360 |
| Dhaka Vegetable | 0.71 | 878 |
| Zeal Bangla Sugar | 0.31 | 1150 |
| Rupun Oil | 0.62 | 6000 |
| CTG Vegetable | 2.33 | 70 |
| BD Oxygen | 1.47 | 849 |
| Ashraf Textile | 0.01 | 4000 |
| Saham Textile | 0.87 | 160 |
| Eagle Star Textile | 0.31 | 200 |
| Desh Garments | 4.00 | 100 |
| Padma Textile | 0.25 | 160 |
| Ambee Pharma | 0.30 | 1250 |
| Dulama Cotton | 1.46 | 120 |
| Petro Synthetic | 0.50 | 400 |
| Pharmaco | 0.90 | 40 |
| Kohinoor Chemical | 1.20 | 125 |
| Bn Sina | 12.33 | 240 |
| Libra Pharma | 1.62 | 160 |
| BD Monospool | 5.00 | 30 |
| Bata Shoe | 3.89 | 1540 |
| Umanisa Glass | 3.62 | 10 |
| Modern Industries | 5.00 | 10 |
| Beximco Ltd | 2.46 | 2200 |
| Apex Footwear | 3.47 | 1110 |
| BGIC | 15.00 | 30 |
| Eastern Insurance | 2.50 | 920 |

Gainers (21)

| | | |
|-------------------|-------|------|
| Pubali Bank | 5.00 | 5 |
| Al Baraka Bank | 5.02 | 2 |
| IDL | 2.78 | 180 |
| Bengal Carbide | 10.15 | 24.4 |
| BD Autocars | 1.70 | 610 |
| Bengal Cycles | 1.12 | 526 |
| Beximco Fisheries | 9.09 | 2920 |
| Modern Dyeing | 0.73 | 30 |
| Dulama Cotton | 1.46 | 120 |
| Tallu Spinning | 0.67 | 180 |
| Glaxo BD | 4.00 | 260 |
| ACI Ltd | 4.72 | 1000 |
| Therapeutics | 1.00 | 10 |
| Beximco Infusions | 0.94 | 17 |
| Beximco Synthetic | 3.03 | 12 |
| Paper Processing | 2.66 | 26 |
| GQ Ball Pen | 1.04 | 257 |
| Monno Ceramic | 9.72 | 15 |
| Green Delta | 5.00 | 60 |
| B Fisheries (Deb) | 15.45 | 10 |
| BCIL (Deb) | 17.33 | 22 |

Issues (13) unchanged

| | |
|---------------------------|------------------|
| Aziz Pipes (70) | BD Lamps |
| (25) Karim Pipes (48) | Apex |
| Spinning (900) | Progressive |
| Plastic (12) | Rahman Chemicals |
| (220) BCIL (80) | Wata Chemical |
| (40) Eagle Box (50) | Apex |
| Tannery (20) | CTG Cement (30) |
| Beximco Infusion Deb (22) | Beximco Deb (24) |

DSE All Share Price Index



August

9 10 11 12 13 14 15 16

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Indian communists stage a noisy protest before getting arrested in New Delhi yesterday to protest the government's free-market reforms. The arrests marked the start of country-wide three-week communist-sponsored protests that may take some one million people to jail.

—AFP photo

Canada advocates for firm int'l control over fishing

UNITED NATIONS, Aug 16: Canadian Fisheries Minister Brian Tobin said yesterday effective international control over fishing were urgently needed to prevent denuding of the oceans and the collapse of coastal economies, reports Reuters.

"The status quo is not a viable alternative," he told the opening of the fourth session of the UN conference on straddling fish stocks and highly migratory fish stocks.

These fish are found both inside a 200-nautical mile (320-km) exclusive economic zone within which coastal states exercise control and also on the high seas beyond, where there is no effective control.

Tobin said the cod stock in the northwest Atlantic which straddled the 200-mile limit.

had declined by 99 per cent in recent years.

"If we do not create a regime that works in practice we will face the prospect of barren oceans, unemployed fishermen and collapsed coastal economies," he said.

Referring to some encouraging signs, he added, "More and more distant water fishing states accept that the freedom to fish on the high seas bears corresponding responsibilities. More and more distant water fishing states accept that coastal states do not want to end high seas fishing. Rather they want to ensure these fisheries respect proper conservation."

The Canadian Minister said the conference must overcome differences on three key issues: Compatibility of conservation

measures inside and outside the 200-mile limit dispute settlement and enforcement.

Distant water fishing states had expressed legitimate concerns about possible abuse of the authority to take enforcement action on the high seas. While there must be safeguards against any such abuses without high seas enforcement it was difficult to see how an international regime could be effective.

Tobin said Canada was making a strong commitment to conservation which had cost the livelihood of tens of thousands of its people.

But we will not make this sacrifice in vain... we will not accept that resources we are conserving today inside 200 miles will be plundered in future outside 200 miles.

Training course on marketing strategy opens

A six-day training course on marketing strategy began at the Independent University, Bangladesh (IUB) yesterday, says a press release.

Jointly sponsored by Ecole Supérieure de Commerce de Paris (ESCP) and IUB, the course is intended for mid-level executives from a number of banks, multinational companies and business organisations.

Prof R De Maricourt of ESCP will conduct the course.



Dr. Antonio Loche (3rd-R), Secretary General, Italian Institute for Asia seen addressing the members of the Board of Directors of the Dhaka Chamber of Commerce & Industry (DCCI) yesterday at the chamber Office.

No more obstacles to ratify GATT accord

WASHINGTON, Aug 16: The White House and Congressional leaders have reached an agreement lifting the main obstacles to ratification of a new global trade agreement, officials said yesterday, reports AFP.

Anne Luzzatto, spokeswoman for the US trade representative's office, said some details need to be worked out but that the accord would allow the President four years to negotiate future trade agreements under special authority.

The agreement is likely to help win congressional approval of the General Agreement on Tariffs and Trade Uruguay Round concluded last

December.

The so-called "Fast Track" authority would allow President Bill Clinton to negotiate additional trade pacts — including expansion of the North American Free Trade Agreement (NAFTA) and require Congress to vote 'yes' or 'no' without amendments.

Under the agreement, the President will not be able to link future trade agreements to questions of environmental protection or labour standards without first consulting Congress.

That aspect of the accord is seen as a victory for the Republican Opposition, but White House officials said the deal would not exclude includ-

ing labour and environmental agreements as part of new trade pacts.

Senator Bob Dole, the Republican leader, said the chamber would vote on GATT in mid-September following a summer recess but said some aspects of the agreement on labour and environmental standards need to be ironed out.

The Clinton administration also agreed to scrap plans for an inventory tax to raise funds to make up for the loss of 11.5 billion dollars in duties resulting from GATT's sharp reduction in tariffs.

An alternative plan is to be drafted by Congressional committees.

Iraq's planning minister sacked

NICOSIA, Aug 16: Iraqi Planning Minister Samel Maajid Faraj has been removed from his post and appointed minister without portfolio after his department reported that inflation had reached 24,000 per cent. The Middle-East Economic Survey (MEES) said yesterday, reports AFP.

The Cyprus-based weekly said Faraj, a Kurd, was dismissed last week but did not say who had replaced him.

Iraq's economy has been crippled by the UN oil and trade embargo imposed after the August 1990 invasion of Kuwait.

The dollar currently buys more than 600 dinars on the black market, even though at the official exchange rate one dinar is still worth 3.2 dollars.

President Saddam Hussein, who is also Prime Minister, in June played down inflation saying it was "temporary and artificial" because Iraq's oil reserves were "intact".

Iraq has the world's second biggest reserves, after Saudi Arabia.

Bank receives mocking postcard from looters

TOKYO, Aug 16: A Japanese bank has received a mocking postcard apparently sent by gunmen who stole 540 million yen (5.4 million US dollars) from it in Japan's biggest armed car robbery, a bank spokesman said today, reports Reuters.

"Thank you for the bonus," and "we can live on the lot for life" the Mainichi Daily News quoted the card as saying.

Two gunmen, one with his face swathed in bandages, the other wearing a baseball cap and sunglasses, stole the money at Fukutoku Bank's Kobe Branch in western Japan on August 5. Nobody was injured.

The postcard was sent a day after the robbery and had a Tokyo postmark. The bank spokesman said the card claimed to be from the robbers, but he declined to elaborate on its message.

Manila hit by power cuts

MANILA, Aug 16: Parts of Manila were hit by outages yesterday after transmission line problems cut off two key power plants, bringing back unpleasant reminders of the Philippine power crisis over the past two years, reports AFP.

The tripping of the transmission lines linking Manila with the eastern Philippines caused two-hour outages over parts of the capital, National Power Corp (NPC) spokesman R V Villafuerte told AFP.

Power retailer Manila Electric Co (MERALCO) spokesman Elpi Cuna said over radio station DXZL that the problem led to a 110-megawatt deficiency in areas served by MERALCO.

The Philippines' main grid had a thin forecast reserve of 20 megawatts when the outage occurred, said Villafuerte, but added NPC technicians were now fixing the problem and the power supply should return to normal Tuesday.

A massive power programme has just succeeded in installing a bare reserve of about 400 megawatts earlier this year. A power shortage, caused by a lack of large plants, has dampened industrial activity and dragged down economic growth in much of the country over the past two years.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on August 16, (Figures in Taka)

| Currency | Selling TT & OD | HC | TT Clean | Buying OD | OD |
|--------------------------------------|-----------------|---------|----------|-----------|---------|
| US Dollar | 40.3675 | 40.3925 | 40.0950 | 40.0300 | 39.8675 |
| Pound Sterling | 62.4971 | 62.5358 | 60.8004 | 60.7018 | 60.4554 |
| DM | 26.2025 | 26.2188 | 25.4939 | 25.4526 | 25.3493 |
| F Franc | 7.6308 | 7.6355 | 7.4264 | 7.4143 | 7.3842 |
| C Dollar | 29.5336 | 29.5519 | 28.7326 | 28.6860 | 28.5695 |
| S Franc | 31.2351 | 31.2544 | 30.3983 | 30.3490 | 30.2258 |
| Jap Yen | 0.4091 | 0.4094 | 0.3939 | 0.3933 | 0.3917 |
| Indian Rupee (AMU) | 1.2891 | 1.2955 | 1.2737 | 1.2578 | — |
| Pak Rupee (AMU) | 1.3204 | 1.3270 | 1.3046 | 1.2883 | — |
| Iranian Riyal (AMU) | 0.0231 | 0.0232 | 0.0229 | 0.0226 | — |
| A T.T.(DOC) US Dollar Spot Buying Tk | 40.0625 | — | — | — | — |

30 Days DA 39.4607 **60 Days DA** 39.1767 **120 Days DA** 38.8927 **180 Days DA** 38.3247

C) US Dollar