

China to end interest-free loans to Third World

BEIJING, June 6: After decades of courting other developing countries with generous interest-free loans, China is developing a more stringent foreign aid policy, reports AP.

To improve the effectiveness of its foreign aid, most future loans will be low-interest with preferential terms, Sun Guangxiang, Director-General of the Foreign Ministry's Department of Aid to Foreign Countries, told the official Xinhua news agency.

In principle, Sun said, China no longer will provide interest-free loans. But some developing countries facing economic hardship still will receive free aid, he added.

Future aid will be used mainly to help countries set up small and medium-size projects that meet local needs and use locally available materials, he said.

World food stocks run low

LONDON, June 6: World grain prices are rising, amid warnings that food stocks are set to dwindle perilously near safety margins, reports Reuters.

Experts are not yet saying that 18th century English cleric and doomsayer Thomas Malthus was right after all when he predicted that the planet's population must outrun its food supply.

Most think that geneticists may come to the rescue with new varieties of high-yield crops as human numbers soar by perhaps one-third or more in the next 25 to 30 years.

A tightening world grain market right now, however, suggests that third world food bills could soon rise.

Grain stocks are suddenly tight.

"The margin of safety is less than it has been for some time," says Richard Woodhams, acting Executive Director of the International Wheat Council (IWC).

The IWC says wheat stocks could drop to an 18-year low in the next 12 months.

Drought has hit Australia and North Africa, rain is delaying US sowings of maize. Doubt again surrounds Russia's harvest.

The European Union said on Friday that it might have to curb wheat exports.

Against this backdrop, grain purchase by China, the most populous nation, threaten to soar.

"China is becoming a huge sponge, buying almost everything — cotton, sugar, rice, corn and wheat," says Lester Brown of the Washington-based World Watch Institute.

He told Reuters in Tokyo on May 30 that China "is now integrated into the world economy. Their food scarcity is every body's scarcity."

Wheat prices rose 50 per cent during 1994 to around 150 dollar per tonne in Europe.

They eased this year but are now heading up again and are around 135 dollar to 140 dollar the last few trading days have seen brisk gains in Chicago figures market prices.

"Wheat rallied following concern over wet weather and crop problems in Russia and China," said commodity brokerage GNI Ltd.

Probably the most bullish factor is a report that Chinese supplies are tight, which ties in with our view that it will be a major importer in coming months.

The UN Food and Agriculture Organisation (FAO) felt it necessary to give a warning last week that wheat stocks might fall below the level needed to ensure adequate food security — if there should be a major crop failure.

An official of the European Union said late on Friday that it would adopt a cautious policy on wheat exports until the condition of its new crop became clearer in two to three weeks.

He said it would interrupt them if its own, internal prices rose to far. The EU is a huge world supplier and has exported close to 20 million tonnes in some years.

Japanese banks hold \$476b in bad loans

TOKYO, June 6: Japanese banks hold a total of some 40 trillion yen (476.2 billion dollars) in bad loans, the Finance Ministry said Tuesday in its first report of the full extent of the problem, reports AP.

Yoshimasa Nishimura, director of the ministry's Banking Bureau, reported the non-performing loans at a lower house Budget Committee session.

In March, the ministry had said 21 commercial banks and trust banks had 12.5 trillion yen (148.8 billion dollars) in bad debts. But that figure included only loans to borrowers now bankrupt or those on which no interest had been paid for at least six months.

The amount reported by Nishimura also included loans on which banks have been forced to lower interest because of the borrower's inability to pay.

The Finance Ministry had

been under criticism for refusing to disclose the total of non-performing loans held by Japanese financial institutions after the bursting of Japan's "bubble" economy of the late 1980s, when easy money fueled speculation in stocks and real estate.

A ministry official, speaking on condition of anonymity, said the ministry had refrained from reporting the bad loan total out of fear of discouraging businesses.

The problem has hampered the once powerful banking industry's ability to provide new loans to stimulate Japan's economy as it tries to pull out of a 4-year-old slump.

Ten of the nation's 11 biggest commercial banks reported that their operating profits fell in the fiscal year ended March 31. Some of the banks reported improvements in their ability to write off bad debts.

Dhaka Stock Prices

At the close of trading on June 6, 1995
Index falls by 2 points

Star Report

The Dhaka Stock Exchange All Share Price Index fell by over two points after six days of gains on Tuesday.

The price index dropped to 723.18447 from Monday's 725.54185, registering a decline of 2.35 points.

Total market capital fell to Taka 42.87 billion from Taka 43.00 billion.

But the transactions on the floor rose. A total of 17528 shares worth Taka 24577793 changed hands against 122090 shares valued at Taka 20493807.40.

The number of issues traded rose from 79 to 92, in which 36 gained, 42 incurred losses and the share prices of 14 issues remained unchanged.

Bangladesh Lamps and BD Electricity Meter were the leading gainers in terms of value.

On the other hand, share prices of Singer Bangladesh, BD Plantation and Eastern Housing (Deb) fell significantly.

Beximco Pharma became the top volume leader. Its 41200 shares were traded.

Other volume leaders of the day were: Eastern Housing (37040), BOC Bangladesh (15700), Ashraf

Trading at a glance

DSE All Share Price Index 723.18447
Market Capital Tk 4286687927.28
Transaction in Volume 17528
Transactions in Value Tk 24577793.00
Total Issues Traded 92
Issues Gained 36
Issues Incurred Losses 42
Issues Unchanged 14

Company's name	(per share)	Change	Number of shares
IFC	00	220	220
Punjab Bank	00	100	100
Rugbi Bank	8.390	120	120
DLC	12.480	180	180
United Leasing Co.	5.000	100	100
3rd ICB M Fund	1.250	20	20
2nd ICB M Fund	2.230	20	20
6th ICB M Fund	2.230	1850	1850
Asia	21.000	80	80
Eastern Automobiles	96.000	100	100
Eastern Car	21.000	80	80
Eastern Lamps	96.000	100	100
Eastern Cables	8.860	543	543
Singer Bangladesh	86.800	439	439
Atlas Bangladesh	461.000	490	490
Bangladesh Autocars	1.000	310	310
Quasem Textile	3.300	100	100
Renwick Jute	1.000	40	40
Howlader PVC	00	200	200
National Tubes	3.330	990	990
B Thai Aluminium	2.250	200	200
BD Electricity Meter	20.000	20	20
Alpha Tobacco	1.000	100	100
Anam Sea Food	00	5	5
Apex Foods	2.500	10	10
Bengal Food	6.230	294	294
BLTC	00	15	15
Dhaka Vegetable	95	170	170
Rapun Oil	00	2100	2100
Chittagong Vegetable	1.93	430	430
Bangladesh Plantation	30.000	10	10
Beximco Fisheries	2.28	100	100
Bengal Biscuits	3.210	540	540
Meghna Shrimp	1.130	1380	1380
BOC Bangladesh	4.100	15700	15700
Northern Jute	1.000	600	600
Shire Pukur Holdings	3.340	980	980
Ashraf Textile	28	9100	9100
Quasem Silk	50.00	300	300
May Paper	1.61	1240	1240
Eagle Star Textile	30.00	1000	1000
Desh Garments	1.500	20	20
Talis Spinning	3.000	350	350
Padma Textile	5.000	100	100
Apex Spinning	12.130	240	240
Beximco Knitting	6.230	260	260
Dynamic Textile	5.000	100	100
Mithun Corporation	79	10	10
Mita Textiles	1.000	5020	5020
B Dyeing	1.000	1020	1020
Delta Millers	91	420	420
Apex Weaving	1.120	4630	4630
Beximco Pharma	6.44	41200	41200
ACI Limited	2.290	1150	1150
Pharmaco	020	1010	1010
Pharma Ards	4.570	210	210
Kohinoor Chemical	1.460	585	585
Ibn Sina Pharma	00	280	280
Rahman Chemicals	370	160	160
BCIL	17.270	140	140
Wata Chemical	5.260	140	140
Beximco Synthetic	040	580	580
Libra	300	200	200
Orion Infusion	3.340	980	980
Square Pharma	29	210	210
Bangladesh Monospool	00	514	514
May Paper	1.61	1240	1240
Bata Shoe	6.060	3080	3080
Og Ball Pen	660	2305	2305
Monro Ceramic	10.000	210	210
Umanisa Glass	1.670	75	75
Savar Refractories	00	50	50
Beximco Ltd	10	3700	3700
Chittagong Cement	22.870	330	330
Apex Footwear	3.51	1380	1380
Eastern Housing	3.180	37040	37040
Confidence Cement	520	580	580
Green Delta	00	20	20
United Insurance	760	30	30
Eastern Insurance	2.130	600	600
Jansia Insurance	1.290	380	380
Phoenix Insurance	1.290	320	320
Eastland Insurance	1.480	180	180
Central Insurance	840	400	400
Karnaphuli Insurance	840	680	680
Rupali Insurance	240	1600	1600
B Ph	100	10	10
B Knitting (Deb)	18.380	56	56
BCIL (Deb)	19.290	61	61
Eastern Housing (Deb)	100.000	40	40

US dollar up in Tokyo

TOKYO, June 6: The US dollar climbed further in Tokyo Tuesday after its overnight gains against the yen in New York, reports AP.

In late afternoon, the dollar was trading at 85.09 yen, up 0.71 yen from late Monday and also above its late overnight New York level of 84.90 yen.

The dollar firmed overnight in New York on speculation that the US Federal Reserve and other central banks may intervene again in currency markets to keep the dollar steady against the yen, dealers said.

Central banks of the United States, Japan and some major European nations took traders by surprise last Wednesday, buying billions of dollars to help stem the dollar's fall.

But the Tokyo market also was cautious ahead of the release Friday of US producer prices and the summit meeting of the Group of Seven industrial nations next week, traders said. They also cited the continued uncertainty about the Bosnian situation.



Newly elected members of the Board of Directors of Modern Industries (Bangladesh) Ltd are seen: (left to right-sitting) Syeda Japan Mohsen, Syed Mohsen Ali — Managing Director, Syeda Firdaus Naseem — Chairman, Rafiqul Islam, Syeda Husne Rabbi, and (standing) Syed Tawfiq Hossain Ali, Md Obaidullah — (BSB nominee director), Khurshid Azam, Fazle Rabbi, Syed Tarique Md Ali.

Arab economy suffering from low growth rates for debts

ABU DHABI, June 6: Arab states are still suffering from low growth rates due to accumulating debts and deficits in their budgets and balance of payments despite reforms, according to the top Arab monetary official, reports AP.

"Arab economies have not achieved the aspired growth rates," said Jasim Al-Manai, Chairman of the Abu Dhabi-based Arab Monetary Fund (AMF).

"Looking for example, at East Asia and Latin America, we find they have attained a growth that makes us disappointed with our economies."

Manai, in a lecture late Sunday, said the combined Arab budget deficit stood at around 40.9 billion dollars in 1993 and it hit all member states except Jordan, which enjoyed a surplus of nearly 38 million dollars, according to the AMF.

The Arab budget deficit hit a record 68.1 billion dollars in 1991 mainly because of large cash contributions by Saudi Arabia and Kuwait to a multinational coalition that ejected Iraqi invasion forces from the emirate.

The AMF, the Arab League's

coupled with accumulating debt. Most Arab states are also suffering from persistent budget deficits, which do not help economic growth," he said.

Manai, a Bahraini, did not provide figures but latest AMF estimates showed the Arab League's 22 members suffered from a balance of payment deficit of 17.1 billion dollars in 1993 compared with 14.3 billion dollars in 1992.

The bulk of the deficit was in Egypt, Jordan, Morocco, Lebanon and other non-oil Arab countries, most of which have been involved in reforms.

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The Arab budget deficit hit a record 68.1 billion dollars in 1991 mainly because of large cash contributions by Saudi Arabia and Kuwait to a multinational coalition that ejected Iraqi invasion forces from the emirate.

The AMF, the Arab League's

main financial organisation, put the debt at more than 150 billion dollars but the figure does not include military debts by Iraq, Saudi Arabia and other member states.

While the combined Arab GDP grew by around 5.6 per cent to 507.6 billion dollars in 1993 from 480.6 billion dollars in 1992, most of the growth was recorded in Kuwait after it recovered from the Iraqi occupation.

"Growth rates in Arab countries are not exceeding two per cent compared with seven to eight per cent in some other developing nations," Manai said.

"There is also a general downturn in the public sector and a weakness in investment and saving rates mainly because of low interest rates in some member states and restrictions on such rates in others."

He said there was a pressing need for stepping up reforms, developing economic and financial legislation and expanding regional stock markets.

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective on 6th June.

(Figures in Taka)

Currency	Selling		Buying		
	TT & OD	BC	TT Clean	OD Slight	OD
US Dollar	1=TK 40.2650	40.3150	39.9500	39.8000	39.7055
GBP	1=TK 64.3819	64.4619	62.8853	62.6492	62.5004
DM	1=TK 28.7974	28.8331	27.9865	27.8814	27.8152
F Franc	1=TK 8.2390	8.2492	8.0078	7.9777	7.9588
C Doll	1=TK 29.5271	29.5637	28.6951	28.5874	28.5195
S Franc	1=TK 35.0734	35.1170	34.0806	33.9526	33.8720
Jap Yen	1=TK 0.4817	0.4823	0.4635	0.4618	0.4606
IRS	1=TK 1.2883	1.2980	1.2666	1.2476	---
Pak Rupee	1=TK 1.3026	1.3124	1.2806	1.2614	---
Iranian Ryal	1=TK 0.0231	0.0233	0.0227	0.0224	---

A) T. T. (DOC) US Dollar Spot Buying Tk 39.8750
B) Usance Rate:
30 Days 60 Days 90 Days 120 Days 180 Days
39.6010 39.3180 39.0350 38.7521 38.1861
C) US Dollar sight bill 3 months forward purchase: Tk 39.9820
D) US Dollar sight bill 3 months forward sale: Tk 40.6075

Currency	Selling		Buying	
	T.T. & O.D.	O.D. Transfer	T.T. & O.D.	O.D. Transfer
S Riyal	Tk 10.7359	Tk 10.5852	Tk 10.7359	Tk 10.5852
UAE Dirham	Tk 10.9639	Tk 10.8094	Tk 10.9639	Tk 10.8094
Kuwaiti Dinar	Tk 135.9845	Tk 133.8604	Tk 135.9845	Tk 133.8604
D Guilders	Tk 25.8939	Tk 25.5161	Tk 25.8939	Tk 25.5161
S Krona	Tk 5.5591	Tk 5.4739	Tk 5.5591	Tk 5.4739
Malaysian Ringgit	Tk 16.3406	Tk 16.1060	Tk 16.3406	Tk 16.1060
Singapore Dollar	Tk 28.8773	Tk 28.4599	Tk 28.8773	Tk 28.4599

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 6.6.95

Berth No	Name of vessels	Cargo	Last port	Local agent	Date of arrival	Leaving
J/1	Pearl One	GI	Okha	Cross	9/5	8/6
J/2	Al Salma	Cont	Sing	CTS	1/6	12/6
J/3	Banglar Kallol	GI	Male	ESC	16/5	9/6
J/4	Saadi	Rice (G)	Mad	SSL	12/5	9/6
J/5	Hae Woo No 2	Cemen/GI	Lans	RML	10/5	7/6
J/6	Jaipur	Rice (P)	Hald	HSL	14/5	7/6
J/7	Asian Venture	GI	Viza	B.Bay	29/5	8/6
J/8	Banglar Asha	Wheat(G)	K.Dia	Lams	10/5	9/6
J/11	Veer Savarkar	Rice (G)	Mad	SSL	R/A	10/6
J/12	Lowant	Rice (P)	Kati	CLA	22/5	6/6
J/13	Kota Mawar	Cont	Sing	CTS	1/6	8/6
MPB/1	Meng Yang	Cont	Sing	AML	31/5	8/6
MPB/2	Consistence	Cont	Sing	RSL	31/5	7/6
MSB/3	Banglar Hobbi	Cont	Sing	ESC	5/6	8/6
CSJ	Al Tajwar	Wheat (G)	K.Dia	RSL	26/5	7/6
TSP	Golden Kris	Cement	Sing	SES	22/5	8/6
RM/6	Waeasan Setia	HSD/J.P.1	Sing	MSPL	3/6	6/6
DOJ	Banglar Jyoti	C.Oil	ESC	R/A	6/6	6/6
DDJ/2	A. Goncharov	Repair	ESC	R/A	7/6	7/6

Vessels due at outer anchorage:

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading port
Robert Lee	7/6	Mad	SSL	GI (Lash)	---
Vishva Kaumudi	7/6	Mad	MSA	Rice (G)	---
Yanmit	8/6	Bang	AMBL	Rice (P)	---
Ocean Frost	8/6	Sing	Prog	---	---
Rex	7/6	Sing	PSAL	Rice (P)	---
Tanary Star	8/6	Sing	BDship	Cont	Sing
Fong Yun	8/6	Col	Baridhi	Cont	Col
Mikhail Stenko	8/6	Sing	RSL	Cont	---
Irini	9/6	S.Hai	Prog	GI (Cont)	---
Blue Shark	12/6	Sing	BDship	Cont	---
Dac Jin	9/6	Sing	CTS	Cont	Sing
Sintra	10/6	Kara	Seacoast	Rice (G)	---

Tanker due:

Name of vessels	Date of arrival	Last port	Local agent	Cargo	Loading port
Eloha	7/6	Sing	MSPL	SKO/MS	---
Sea Crown	8/6	---	EOSL	---	---
Nidia	10/6	---	EOSL	HSD	---

Vessels at Kutubdia:

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Lanka Mahapola	Cont	Col	Baridhi	1/6
Safir	Rice (P)	Viza	ASLL	2/6
Vishva Vitkam	Rice (G)	Mad	SSB	1/6
Young II	Rice (P)	MAD	OSBL	2/6
Tomahawk	Wheat (P)	P.Land	KSL	25/5
Long Hai	Wheat (P)	Mong	Prog	31/5
Loyal Bird	Wheat(P)	---	KSL	R/A (1/6)
Seyern	C.Chink	Rizh	BML	4/6
Kota Bintang	Cont	Sing	CTS	5/6
Asian Cosmos	GI	Sing	EBPL	5/6
Paradise	Rice(G)	Yang	CLA	5/6
Ippaan	Bitumen	Kara	MTA	5/6
Banglar Baani	Wheat (G)	---	Lams	R/A (29/5)
Banglar Shourabh	C.Oil	---	ESC	R/A (2/5)

Vessels at outer anchorage:

Ready on:

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Lanka Mahapola	Cont	Col	Baridhi	1/6
Safir	Rice (P)	Viza	ASLL	2/6
Vishva Vitkam	Rice (G)	Mad	SSB	1/6
Young II	Rice (P)	MAD	OSBL	2/6
Tomahawk	Wheat (P)	P.Land	KSL	25/5
Long Hai	Wheat (P)	Mong	Prog	31/5
Loyal Bird	Wheat(P)	---	KSL	R/A (1/6)
Seyern	C.Chink	Rizh	BML	4/6
Kota Bintang	Cont	Sing	CTS	5/6
Asian Cosmos	GI	Sing	EBPL	5/6
Paradise	Rice(G)	Yang	CLA	5/6
Ippaan	Bitumen	Kara	MTA	5/6
Banglar Baani	Wheat (G)	---	Lams	R/A (29/5)
Banglar Shourabh	C.Oil	---	ESC	R/A (2/5)

Vessels awaiting instruction:

Name of vessels	Cargo	Last port	Local agent	Date of arrival
I Yamburenko	---</			