

Plea to resume credits to running units

Metropolitan Chamber of Commerce and Industry (MCCI) on Thursday demanded the urgent actions by the government to ensure bank credit facilities to running organisations based on bank-client relations.

The MCCI resented strongly the recent action by the central bank through Bangladesh Bank Circular (BCD) Number 15 under which instructions were issued to the commercial banks and development financing institutions to deny credit facilities to any units, owned either singly or jointly with others, whose names were published in the so-called defaulters list.

Week ends with sharp decline at DSE

The week ended at Dhaka bourse on Thursday with a sharp decline in trading. In all 4,471 shares and debentures changed hands compared with Wednesday's 9,950. Traded issues valued Taka 4,01,565.00 against the previous day's Taka 4,54,640.00.

Transactions involved thirty stocks. Of them twelve gained, eleven lost and seven remained unchanged at their previous quoted prices. Advancers dominated transactions. And the Composite Index of Dhaka Stock Exchange (DSE) moved up slightly to 302.7516 points from Wednesday's 302.6616. Index is the indicator of price movements of all the listed stocks.

Dhaka Vegetable, Rupali Bank and Monno Ceramic advanced Taka 4.89, Taka 2.66 and Taka 2.00 to Taka 135.19, Taka 77.66 and Taka 142.00 respectively.

UCBL Bank, Atlas Bangladesh, Bangladesh Thal Alumintum, Quasem Drycells, Rupan Oil, Oxygen, Kohinoor Chemical and the debenture of Beximco Pharma moved up within the range between Taka 0.01 and Taka 1.00.

Islami Bank, 6th ICB Mutual Fund, 2nd ICB Mutual Fund, 5th ICB Mutual Fund and 1st ICB Mutual Fund declined Taka 50.00, Taka 18.00, Taka 26.00, Taka 25.00 and Taka 22.00 to Taka 1350.00, Taka 60.00, Taka 160.00, Taka 1000.00 and Taka 400.00 respectively.

The 3rd ICB Mutual Fund and 4th ICB Mutual Fund lost Taka 12.00 and Taka 5.00 to Taka 140.00 and Taka 135.00. Bengal Food, Bangla Process, Eagle Box and Chittagong Cement declined within the range between Taka 0.50 and Taka 1.77.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on August 1, 1991.

Company	EV/ML*	Closing Rate	Delta	Jute	10/50	8.50
BANKS (Ten)						
AL Baraka Bank	1000/1	800.00	10/50	10/50	8.50	NT
AB Bank	100/5	185.00	10/5	10/5	58.00	NT
City Bank	100/5	270.00	100/5	100/5	96.00	100.00
LFIC	100/5	190.00	100/5	100/5	100.00	NT
Islami Bank	1000/1	1350.00	100/5	100/5	NT	NT
National Bank	100/5	110.29	100/5	100/5	94.00	NT
Papali Bank	100/5	105.00	100/5	100/5	83.00	NT
Rupali Bank	100/10	77.66	100/5	100/5	83.00	NT
UCBL	100/5	131.00	100/5	100/5	14.50	15.00
Utrara Bank	100/5	214.00	100/5	100/5	51.00	51.00
INVESTMENT (Eight)						
ICB	100/5	100.00	100/5	100/5	173.00	125.00
1st ICB M.Fund	100/5	400.00	10/50	10/50	10.00	10.00
2nd ICB Fund	100/5	160.00	100/5	100/5	69.25	69.25
3rd ICB M. Fund	100/5	140.00	100/5	100/5	15.75	15.75
4th ICB M. Fund	100/10	135.00	100/5	100/5	110.00	110.00
5th ICB M. Fund	100/10	100.00	100/5	100/5	165.00	165.00
6th ICB M. Fund	100/10	60.00	100/5	100/5	40.00	40.00
ICB Unit Cert.	100/10	114.00	100/5	100/5	45.00	45.00
Sale Price		109.00	100/5	100/5	240.00	240.00
Re-purchase			100/10	100/10	35.00AL	35.00AL
INSURANCE (Four)						
BOIC	100/10	112.00	100/10	100/10	40.00	40.00
Green Delta	100/10	112.00	100/10	100/10	90.00	90.00
Peoples	100/10	130.00AL				
United	100/10	130.00				
ENGINEERING (Nineteen)						
Ashab Automobiles	100/5	200.00	10/50	10/50	33.50	33.50
Atlas Bangladesh	1050	40.00	100/10	100/10	106.00AL	106.00AL
Autz Pipes	100/5	230.00	10/50	10/50	50.00	50.00
Bangladesh Autocars	100/5	101.00	10/50	10/50	55.00	55.00
Bangladesh Lamps	105/5	266.00	10/50	10/50	12.00	12.00
B. Thal Alumintum	100/10	91.00				
Bengal Carbide	100/5	400.00	10/50	10/50	NT	NT
Bengal Steel	10/50	18.00	10/50	10/50	NT	NT
Eastern Cables	100/5	78.00	100/10	100/10	NT	NT
Howlader PVC	100/10	100.00	10/50	10/50	30.00	30.00
Karim Pipe	100/5	117.00	10/50	10/50	NT	NT
Metalax Corp.	100/5	102.00	10/50	10/50	67.00	67.00
Monno Staffers	100/5	250.00	100/10	100/10	67.00	67.00
Monno Jute	100/5	350.00	100/10	100/10	66.00AL	66.00AL
National Tubes	100/10	111.00	10/50	10/50	33.50	33.50
Plaster Steel	10/50	6.00	10/50	10/50	13.00	13.00
Quasem Drycells	10/50	67.00	100/5	100/5	34.00	34.00
Renzwick Jajneswar	100/5	6.00	10/50	10/50	6.00	6.00
Stinger Bangladesh	100/5	1005.00	100/5	100/5	48.00	48.00
FOOD & ALLIED (Twenty one)						
AB Biscuit	100/5	200.00	100/5	100/5	147.08	147.08
Alpha Tobacco	10/50	48.00	10/50	10/50	NT	NT
Amam Sea Food	100/5	36.00	100/5	100/5	100.00	100.00
Apex Food	100/5	340.00	100/5	100/5	60.00	60.00
Aroha Tea	100/5	50.00	100/10	100/10	114.50	114.50
Bangas	100/5	305.00	100/5	100/5	147.08	147.08
Bengal Food	100/5	148.00	10/50	10/50	NT	NT
B.L.T.C.	100/5	600.00	10/100	10/100	38.00	38.00
B.T.C.	10/50	47.00	10/100	10/100	9.25	9.25
Cig. Vegetable	100/5	100.00	100/5	100/5	45.00	45.00
Dhaka Vegetable	100/5	135.14	100/5	100/5	183.40	183.40
E.L. Cornelia	100/5	700.00	10/50	10/50	55.50	55.50
Fruiting Export	10/50	6.00	10/50	10/50	28.00	28.00
Gemini Sea Food	100/50	100.00	100/5	100/5	1142.00	1142.00
Modern Industries	100/5	160.00	100/5	100/5	90.00	90.00
N.T.C.	100/5	267.00	100/5	100/5	112.00	112.00
Rabeya Flour	100/100	NT	100/5	100/5	120.00	120.00
Rupan Oil	10/100	6.25AL	100/5	100/5	100.00	100.00
Tulip Dairy	100/10	92.00AL	100/5	100/5	135.67	135.67
Yousuf Flour	10/50	NT				
Zal Bangla	10/50	8.00				
FUEL & POWER (Three)						
Padma Oil Co.	10/50	40.00	1470/1	1470/1	889.38	889.38
Eastern Lubricant	10/50	14.00				
Oxygen	10/50	51.00				
JUTE (Twelve)						
Ahad Jute	100/10	NT				
Ansowara Jute	10/50	NT				

** FV = Face Value ML = Market Lot NT = Not Traded, AL = Allotment Letter

Representatives from different enterprises on Thursday drew the attention of the government to various problems of trade and industry in a meeting with Finance Minister M Saifur Rahman at Metropolitan Chamber of Commerce and Industry (MCCI).

The discussions centered around the Value Added Tax (VAT), the recently published bank defaulters' list and other financial matters. Former Attorney General Barrister Rafiqul Haque said, the loan defaulters' list was made under Banking Company Act. He noted that the Act contained only a few of the measures and provisions recommended earlier by a commission. He further pointed out, due to the order of the Bangladesh

Bank, the banks are not in a position to extend loans to the associated units of an industry which had been classified as defaulters. The outstanding loan liability of an individual director of an enterprise which may even be owned jointly with others, he noted, stands on the way of new credit sanction to many other units in a peculiar chain arrangement developed by Bangladesh Bank. Such anomalies should be removed forthwith, he suggested.

Representatives from a pharmaceutical company said Drug Administration fixes retail of their products. But the VAT administration had failed to take note of this, he said. Another industry representative suggested that National Board of Revenue (NBR) should spell out the provisions on re-

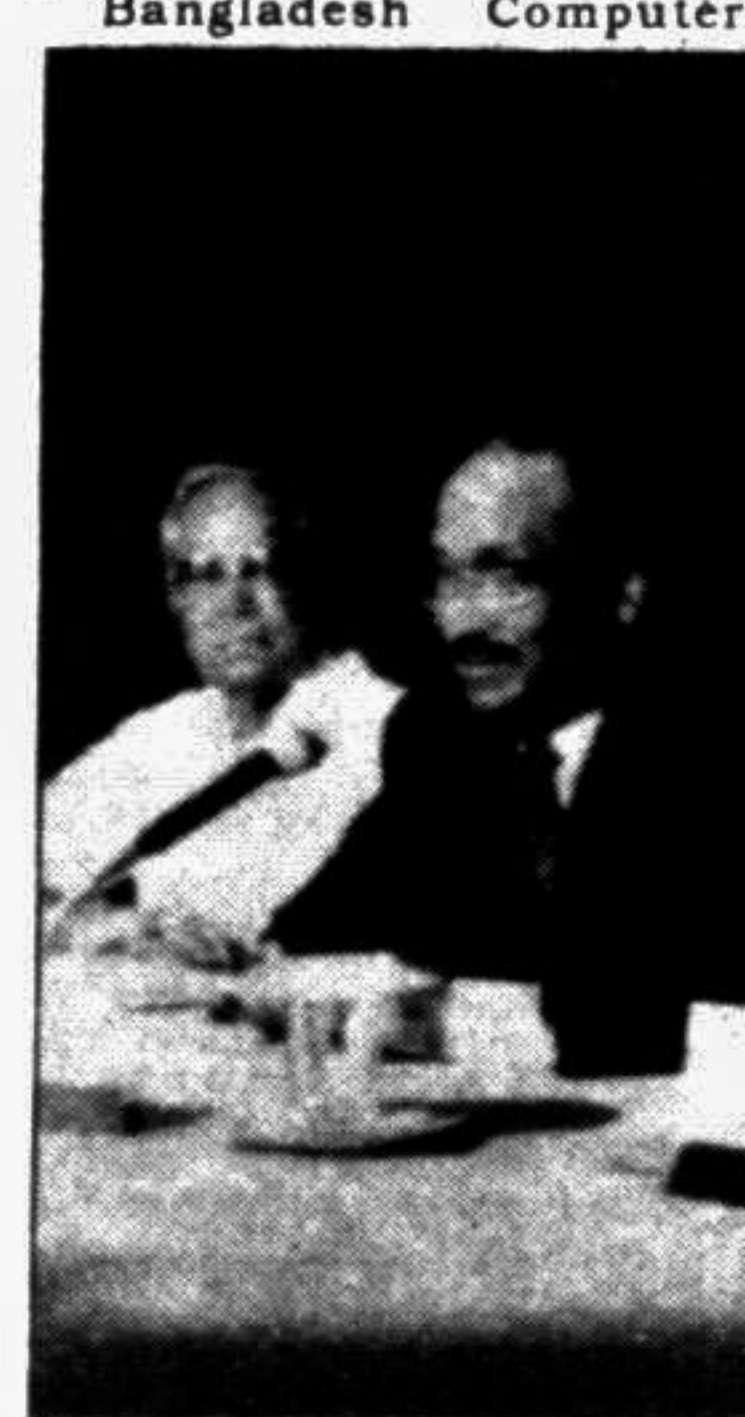
fund or credits under VAT for inventory. The representative of bulb manufacturing unit noted that the VAT had led to higher rates of taxes of bulbs, causing the prices to go up. This has hit the industry hard, he added.

Senior Vice-Chairman of Bangladesh Textile Mills Association said the issue, relating to previous liabilities of the disinvested textiles mills, have not yet settled.

A settlement of the issue was to be made in last August, but this was not done, he added while stating that the denationalised textile mills were placed in the defaulters' list because of the failure to settle the issue. While the outstanding loan liabilities of textile mills in the public sector have been settled, discrimination lingers on against the private sector mills, he observed.

The textile mills in the private sector may be closed down as a result, he feared. Ismail Hossain Mia Vice-President of Dhaka Chamber of Commerce and Industry (DCCI) said government decision to close the warehouses which are not 100 per cent

export-oriented industries would create fresh problems for trade and industry. He pleaded for withdrawal of such a decision. The representative of a re-rolling mills said the VAT has caused price-hike for their products. Bangladesh Computer



M. Saifur Rahman, Minister for Finance and Planning addressing the members of Metropolitan Chamber of Commerce and Industry, at its conference hall Thursday.

Association representative said the duty on computer have been raised from ten per cent to twenty per cent. Moreover, VAT has also enforced for computer items, he observed, computer is essential for education, better technology and research. Computers will be costlier as a result of the new

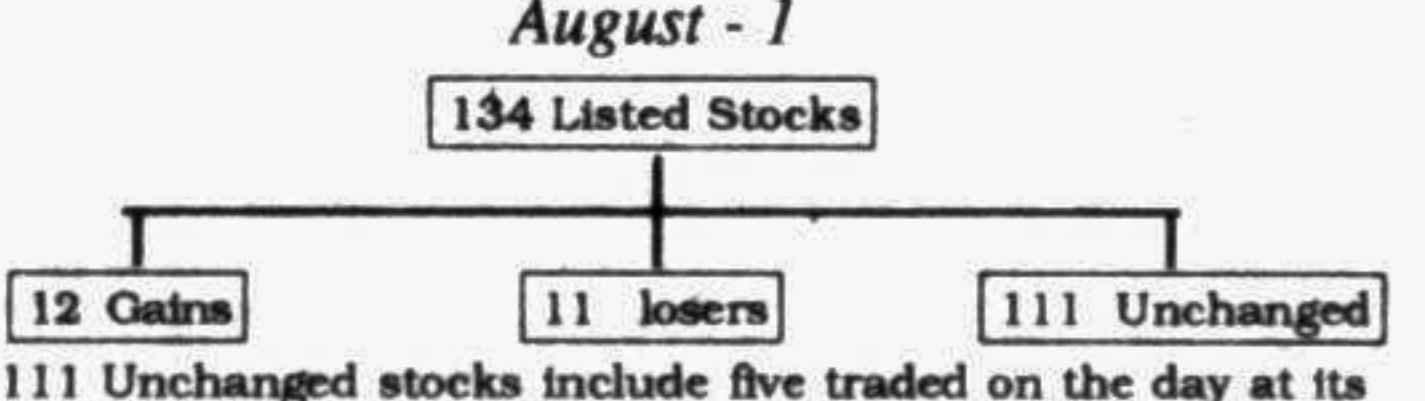
fiscal measures, he added. Morshed Khan, former MCCI chief, feared that VAT might lead to another system loss in the government sector. The Finance Minister assured the representatives of trade and industry that steps would be taken soon to resolve their problems.

Of the total outstanding amount on May 31, LCs worth Taka 2,426.19 crore were opened under cash, wage earner scheme (WES), special trading arrangements (STAs), barter and secondary exchange money (SEM). Another Taka 2092.44 crore worth of LCs were opened under loan or credit. In May, '91, import LCs valued at Taka 857.03 crore were opened.

Of the LCs opened in first eleven months of 1990-91, textile fabrics, crude petroleum oil, chemicals, cement and soyabean oil accounted for the major import operation. LCs worth Taka 2035 crore were opened for the import of textile fabrics while the figure for crude petroleum stood at Taka 1366 crore.

For chemicals import LCs were worth Taka 571 crore while for cement and soyabean, LCs were valued at Taka 310 crore and Taka 267 crore. LCs worth Taka 177 crore were opened for textile machinery. Of this, LCs for Taka 128 crore remained outstanding. In cement, outstanding LCs amounted to over Taka 93 crore.

Dhaka Stock Exchange Market Profile August - 1



111 Unchanged stocks include five traded on the day at its previous quoted prices. DSE All Share Price Index = 302.7516 Issued Capital = Taka 5,439,680,590 Market Capitalisation = 8,651,206,211 Turnover = Taka 4,01,565.00 (Value) 4,471 (Volume).

10 industries apply for FBCCI consideration

Star Economic Report

About 10 applications from different sick industries have so far been submitted to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) for consideration of the Sick Industries Cell. More applications are likely to come next week, the FBCCI sources said on Thursday. About 50 units or associations have taken application forms from the FBCCI for the latter's compilation of all the information relevant to sick industries.

The last date for submitting of applications is August 7 which will be sent by the FBCCI to the Sick Industries Cell by August 10. The cell was formed on June 15 by Ministry of Industry.

The nine-member cell with the Secretary of the Ministry as convener will try to define sick industries. It will identify the sick units in the light of the definition and try to find out the reasons of sickness. It will also recommend measures to help overcome the problem of industrial sickness.

The cell will submit a report on sick industries by August 12 to Ministry of Industry. A sub-committee, formed by Board of Investment (BOI), will

formulate the policy principles to scrutinies the information received from the sick industries. The sub-committee is likely to co-opt the representatives from commercial banks and investment organisations. The government has earlier identified ten thousand industrial units as sick industries. Industrial circles said these units became sick because of faulty industrial policy and inconsistencies in its implementing import policy and lack of measures to protect industries.

Revising the sick industries through proper measures would receive more attention than setting up new industries for rapid industrialisation, according to Bangladesh Sick Industries Association. Efforts to salvage the sick industries will not require any foreign currency for import of capital machinery but will only involve some domestic resources, the same source said.

They said the withdrawal of cases against different sick units for default in repayment of bank credits, sanctioning working capital and withholding new steps to file cases against industries are essential for the revival of operations by sick industries and their vibrant growth.

Suggestions by the related industrial circles for overcoming the problems of sick industries include introduction of simple rate of interest at five per cent on bank credits for, at least, the next ten years and postponement of excise duty or Value Added Tax (VAT) for sick industries having machinery valued Taka 50 lakh, instead of the present ceiling of Taka three lakh.

Curbs on imports of fabrics and use of domestic textile products by the garments industry the garments industry have also been suggested by the related industrial circles for survival of the country's sick textiles sector.

Exchange Rates

August - 1	SELLING AND BUYING RATES offered by Commercial Banks, for Bank Cheques, B/Cs and Cheques India (B/C)	Buy	Sell
US Dollar	36.6226	36.190	36.190
UK Pound Sterling	61.3054	60.570	60.570
German Deutsche	20.8676	20.580	20.580
PC			
French Franc	6.1375	6.0554	6.0554
Saudi Riyal	9.7974	9.6880	9.6880
Dutch Guilder	18.5243	18.2958	18.2958
Pakistan Rupee	1.4806	1.4698	1.4698
(AMU)			
Singapore Dollar	20.9559	20.6792	20.6792
US Dollar	10.0055	9.9732	9.9732
Kuwait Dinar	Not available		
Indian Rupee			
AMU	1.4818	1.4676	1.4676
S. Kroner	5.7901	5.6795	5.6795
*AMU - Asian Monetary Unit			
SECONDARY EXCHANGE MARKET			
Wage Earners Fund/Export Performance Benefit (EPB) Fund	Buy	Sell	
US Dollar	37.19	37.34	
UK Pound	62.27	62.32	
Saudi Riyal	9.95	10.00	
US Dollar	10.16	10.21	
* The rates of Pound Sterling are decided every day, based on the cross-rates of New York market			
Source: Sonali Bank			

Hides & Skin (Wet/Salted)

August - 1	(Taka per 100 pieces)
Cow	20,000.00 - 21,000.00
Light	40,000.00 - 42,000.00
Medium	45,000.00 - 50,000.00
Heavy	55,000.00 - 65,000.00
Very heavy	75,000.00 - 85,000.00
Rejected	25,000.00 - 30,000.00
Goat	
Big & heavy	8,500.00 - 9,000.00
Light & Medium	5,500.00 - 6,000.00
Rejected	2,500.00 - 3,000.00
Sheep	7,000.00 - 7,500.00
Buffalo	55,000.00 - 62,500.00
Source: Department of Agricultural Marketing	

Price Barometer Essentials

August - 1	(Taka per kg)
RICE	
Amam (Very fine)	19.00-20.00
Amam(fine)	15.50-17.00
Pajam	14.00-15.00
Uphi	13.50-14.50
VEGETABLES	
Potato(White)	5.75-6.00
Brinjal	12.00-16.00
Lady's finger	10.00-12.00
Peas	11.00-12.00
Karolla	12.00-14.00
Lalshak	6.00-8.00
Pipi Shak	5.00-5.00
Pappas	6.00-8.00
Green Banana (Four Pieces)	6.00-8.00
OTHER FOODGRAIN	
Flour	12.00-14.00
Aror	9.00-10.00
Wheat	7.50-8.00
Suzi	17.00-18.00
FISH	
Ruhi(tag)	14.00-16.00
Kanai(tag)	11.00-13.00
Hilsha	