

BCIC urea sale procedures contradict trading rules

Star Economic Report

Urea fertiliser sales and delivery by the Bangladesh Chemical Industries Corporation (BCIC) are contradictory to any rules of commodity trading.

Commodities are traded at different prices for respective deliveries. Both buyer and seller transact business on the basis of a specific month or date of delivery.

BCIC has a price differential for different months between off-season and peak season to an ascending scale. The off-season price is lower reflecting the subsequent inventory carrying cost for the dealer. But, BCIC urea offers are made without stating delivery period and payment is collected. Factories hold on to the money but the sale price remains indeterminate until actual delivery.

Dealers bear interest from the moment the payment is made, while the factory in turn earns interest until delivery. If price at the time of delivery is higher, the price at the farm level will be further compounded by the interest.

The July fertilizer price at Zia Fertilizer Co Limited was Tk. 3,875 mt and dealers who have paid at this rate did not receive any delivery yet. If this delivery is in August, the factory price will be Tk. 4,175 but for the dealer it will be at least Tk. 4,291. Similarly, if the delivery is in September the ex-factory price is Tk. 4,415 but for the dealer it will be Tk. 4,589.

IFDC, the international marketing consultants, in their

annual report states "BCIC has remained less than enthusiastic (if not indifferent) to improving its delivery system fertilizer to the private sector distributors. As a result, demand for urea was not met on timely basis in any of the 12 months of the year 1990-91." This unmet demand has a substantial cost to the private sector distributors and thereby to the farm sector. Large amounts of delivery orders remain pending for fairly long periods on which BCIC earns interest, which, of course, is a

cost to the private distributors.

Experts on fertilizer trading say BCIC factories should offer against specific delivery at the respective prices. Offers should be made against enquiries if there is position for delivery during the month. When the stock or production is committed then no further offers are to be made. The dealer/trade remains aware of the deliveries and the financial cost of transaction can be rationalised without any effect on the farm level prices. This selling procedure is followed in all other commodity trades including the Jute Sector, they suggested.

The object of privatisation of fertilizer is to improve efficiency and bring down the farm level prices. Keeping such imponderable and uncertainties runs contrary to that objective, the experts said.

To maintain farm level prices the enhanced price for August should not apply in cases where BCIC factories have received cash payment and deliveries should be at July prices. There are reports of crop damage in northern districts on one hand and diminished urea production capacity and export commitments on the other. Either of these can let loose market forces not necessarily desirable. Experts suggested that the urea price should be kept low for the farmer and to ensure the off-take from the trader.

Commercial discipline in BCIC will contribute immediately and needs attention of the administration as factory gate price and anomalies are not determined by market forces, they added.

Tk 16.64 cr scheme for reconstruction of roads in Maulvibazar

MAULVIBAZAR, Aug 2: The Roads and Highways department of the district has submitted a scheme costing Taka 16.64 crore for reconstruction of the roads and culverts in Maulvibazar and Habiganj districts under the post-flood reconstruction programme, reports UNB.

The scheme is said to be under active consideration of the concerned ministry.

According to official sources, a total of 103 kms long roads with 59 culverts damaged by the recent flood have been included in the scheme for immediate reconstruction.

Meanwhile, the authority has started works in some portion of the roads on an emergency basis to restore communication at an estimated cost of Taka 40 lakh.



Craftsmen painting second hand carpet for sale at a cheaper rate. This trade has, of late, flourished in Mirpur in the city. —Star photo

S. Koreans peel skins off pine trees for food needs

With their spring harvest of barley still some weeks away, farmers in South Korea had to trek up mountains in the winter to peel the skins off pine trees as food for their families, according to Depthnews Asia.

That was during the lean times of 1961 and thereabouts, when South Korea's Gross National Product (GNP) was only US\$2.1 billion and the per capita GNP was US\$82.

Today, this Newly Industrialised Country has a GNP of US\$210 billion and a per capita GNP of US\$4,968.00, or multiplied a hundredfold in just two decades, said Sung Sang Park, president of the Korea Institute for Economics and Technology.

The country's exports, "no more than US\$41 million" in 1961, now amount to US\$62 billion, or a growth of more than a thousand times.

Park was the one who drafted the Five-Year Economic Development Plan that propelled South Korea's growth after the military revolution of May 16, 1961.

One month after the revolutionary government came into power, its Supreme Military Council directed the Bank of Korea (Central Bank) to draw up the Plan. The task fell on Park, who then headed the Bank's national accounting division.

Park revealed Korea's "edge" to participants of a regional workshop to promote and finance export-oriented joint ventures, where he was keynote speaker.

The workshop was jointly sponsored by the International Trade Centre UNCTAD/GATT and the Association of Development Financing Institutions in Asia and the Pacific with funding support from the Swiss government and the United Nations Development Program.

Park said the secret of South Korea's success is "very simple."

"I thought that the (usual) macro economic development plan might have no effect on actual development. There are many countries in the world whose economies are not so successful even after having several macro plans," he recalled.

What Park — who subsequently became president of the Korea Industrial Bank, president of the Export-Import Bank and governor of the Bank of Korea — did was to present micro projects with the macro plan. "I listed power plant projects. Without abundant supply of electricity, no manufacturer would dare start producing new products," he

said. The micro component also included cement plant projects to supply construction needs, fertilizer plants for agriculture, a telephone receiver assembly factory, iron and steel mill projects and projects for the manufacture of consumer items such as transistor radios, television sets, refrigerators, bicycles, cars.

Also contrary to what has been said about the Korean economy as having taken off because of its export-orientation, what South Korea initially did was to take the path of import-substitution.

The plan he drew up encouraged private entrepreneurs to produce durable and non-durable consumer goods so the country would not have to import these, said Park.

"Business should be safe and profitable to begin with. Starting with import-substituting production (is) safer than production for exports because a local market already exists," he explained.

The new plants and factories, whose construction was energetically promoted by

the late President Park Chung Hee, then became the country's "engine of economic development." As plants and factories continued to be built and the output and quality of goods grew, the country began to turn exporter.

Labour-intensive light industries such as textile and plywood chalked up rapid annual export increases. Throughout the 1970s, the Korean economy averaged an annual growth rate of 9 per cent.

But for a country to become a successful exporter, it must strive for competitiveness in quality and price, stressed Park.

South Korea did this by importing highly advanced machinery, he said, and it had to borrow from both local and foreign sources.

This shows that a financial policy must accompany industrial policy, Mr. Park told the workshop participants who were mostly from development financing and allied institutions.

But at the same time, funds must be used effectively and channelled to industries that could best promote export

Sales-Purchase-Tender & Employment News

Tender

- (1) Bangladesh Sugar and Food Industries Corporation, Adamjee Court (5th floor), 115-120, Motijheel C/A invites sealed tenders from bonafide Suppliers/Manufacturers for import of Steam Turbine and Gear Box on C&F (C) Chittagong/Dhaka delivery basis. Tender documents available from (1) Additional Chief Accountant (HO) of this Corporation at Adamjee Court (4th floor), and (2) General Manager (Shipping), BSFC, Shipping Office, Arag Chamber, 68, Agrabad C/A, Chittagong up to 12-30 pm on all working days. Tenders will be received up to 12:00 noon of 19.9.1991.

Employment

- (8) The largest dairy industry requires "Manager" Applicants must have B.Sc. Engineering (Mech/Elect) or M.Sc. (Dairy Technology/Animal Husbandry) with 8 yrs' experience in Technical/Management/Sales Promotion. Please apply with complete bio-data, 2 copies of recent p.p size photograph and attested copies of certificates of academic qualifications to G.P.O. Box No. 694 latest by 15.8.91.



Tender Notice

বিদ্যুৎ বিন বিয়মিত পরিষেবা ককন

Sealed Tenders vide Tender Enquiry No. Pur-213/91 dt: 30.5.91 are hereby invited by the Bangladesh Power Development Board from the reputed suppliers/manufacturers for procurement of 11 Metre P.C./SPC Poles fittings & 9 metre P.C./SPC 4 Spool Wire rack for Poles.

Tender documents along with detailed specifications, terms and conditions may be obtained from the office of the undersigned during office hours from 1.8.91 on payment of Taka 250/- (Taka two hundred fifty) only through Pay Order/Bank Draft in favour of the Director, Purchase, Power Development Board, Dhaka.

Tender will be received in the office of the undersigned up to 11 A.M. on 29.8.91 and will be opened on the same day at 11-30 A.M. in presence of the tenderers (if any body present).

No Tender will be sold on the date of opening of the tender and it will not be sent by post.

Director of Purchase PDR, Dhaka.

Biddut/Jan-104(4)91-92 DFP (BA) 6184-30/7 G-377

BAKLANDESH PARJATAN CORPORATION Works Division 233, Airport Road, Tejgaon, Dhaka

Urgent Tender Notice

Sealed Tenders are hereby invited from 1st class contractors/bonafide suppliers enlisted with any Govt./Semi-Govt. Organisation for supply & fitting, fixing of fixed glazed Aluminium frames & tinted glass etc. damaged by cyclone & tidal surge of Sea-view restaurant at Cox's Bazar Project of the Corporation. The estimated cost of the work is Tk. 81,000/- only.

Tender documents along with terms & conditions may be obtained from the Accounts Division, Dhaka of the Corporation on payment of Taka five hundred only (non-refundable) during 10-12 hrs. on all working days except on the day of opening of the tenders.

Each tender must accompany the Earnest Money at the rate of 5% of the total quoted amount in the form of Bank Draft/Pay Order from any scheduled Bank of Bangladesh in favour of Bangladesh Parjatan Corporation.

Each tender must also accompany attested photostat copies of the documents regarding (i) Enlistment as class-1 contractor/supplier for the year 1990-91 (ii) Completion certificate of similar nature of work worth more than Tk. 1 lac in a single work order under any Govt./Semi-Govt. Organisation from the respective Executive Engineer which the contractor completed not before 1988 together with work order (iii) List of Technical personnel & equipment presently employed and owned by the firm which is to be duly certified by an Executive Engineer not issued before March 1991 (iv) Income Tax Clearance Certificate for the year 1988-89 (v) Financial Solvency Certificate from a scheduled Bank of Bangladesh not issued before March 1991. The tender without Earnest Money, without above mentioned documents and without the documents mentioned in the schedule will be rejected.

Tender is to be dropped in the Tender Box kept in the Works Division of the Corporation up to 11.00 A.M. on 8-8-91 and will be opened on the same day at 11-15 A.M. by the committee in presence of tenderers, if any.

The above mentioned work will have to be completed within 10 days from the day of issue of work order. No running bill will be paid for this work.

The Corporation reserves the right to accept any or reject any or all tenders without assigning any reason whatsoever.

Abul Kashem Manager, Works. DFP(BA)6188-30/7 G-376

Executive's tips

by Shahabuddin Mahtab

On Self Control

An administrator has to face many difficult, disrespectful, threatening and insinuating situation in his service career. On all such occasions he is required to keep cool and composed, and his armour would be to reason with his adversaries in a dispassionate manner, and objectively. Any fool can lose his temper, but it requires a real man to keep his cool.

Such coolness and composure can be achieved by a deeper understanding of the human mind and its working. It is said that "words are like chemicals. They have often caused explosions. Harsh words have broken homes and partnerships. They have led to violence. They have started wars."

In our official life many misunderstandings take place with resultant bitterness, because we do not try to understand the other person's point of view. For a better human relations atmosphere, we shall have to be a little less selfish, and a little more helpful and outgoing.

Most often we forget that as public servants, we are paid to help the citizens at large and not to harass them when they come to us with their difficulties. It is customary in our country to harass the people, while in Europe and America it is one of helpfulness and service.

Truth, only truth and nothing but the truth

"The true guide of life is to do what is right." [Sir Winston Churchill]

An executive is constantly faced with real troubles and worries. In the discharge of his duties, he is faced with pulls and pushes from all sides. We have now completely forgotten that we can only arrive at the pristine truth, if we examine a problem/situation without emotion and with complete detachment. Why should we forget that we have all been given only one life to live, so why do we not leave this world by honestly doing our duty. The pursuit of truth often leads us to difficult situations, but can we not do our duty honestly and bear some hardship. For after all Nur Hussain made the supreme sacrifice, so that there is honesty and justice in the society and not the frequent exchanges of new brief cases.

Five more insurance cos in the offing

Star Economic Report

The government is likely to float a few more insurance companies in the private sector, informed circle says.

Out of 35 applications for opening new insurance companies, the government has provisionally selected five applicants and distributed prescribed forms among them for opening new general insurance companies.

Final approval of the proposed companies, all general insurance, in nature, will depend on the fulfilment of specific rules and criteria set by the government.

General insurance is yet to flourish in Bangladesh. At present, premium earnings on general insurance are Tk 200 crore a year on an average. Most portion of this business is traded by Sadharan Bima Corporation, the lone public sector enterprise in the sector.

Market Prices of Listed Shares and Debentures with Dhaka Stock Exchange

At the close of trading on July 25 and August 1, 1991.

Table with multiple columns: Company, EV/ML, July 25 Taka, August 1 Taka, High, Low, 1990-91 High, Low, and various share/price details for listed companies like Gawsta Jute, Islam Jute, Mutual Jute, etc.